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# THE HUMAN SERVICE DELIVERY SYSTEM IN MONTANA

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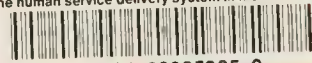
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THE HUMAN SERVICE DELIVERY SYSTEM IN MONTANA

A REPORT TO THE FORTY-SIXTH LEGISLATURE

September 1978



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## ACKNOWLEDGMENTS

The Interim Committee extends its appreciation to the many individuals and groups, too numerous to mention separately, who participated in the Committee's study. Without their cooperation in supplying information and in contributing ideas, the work of the Committee would have been much more difficult. The Interim Committee also wishes to acknowledge a debt of gratitude to the clerical and legislative services staff of the Legislative Council for their assistance in preparing this report.

The general discussion in this report about human service delivery systems, human resources, executive branch reorganization, and public administration relies heavily upon the works cited in the Selected Bibliography. For the convenience of the reader and because so much has been published about the reorganization of human services, footnotes are used sparingly. Further amplification of undocumented material can be obtained from the research staff of the Legislative Council.

## SUMMARY OF RECOMMENDATIONS

The Interim Committee on Human Services recommends that the 1979 Montana Legislature consider enacting:

- (1) a bill to create a permanent legislative human services oversight committee; and
- (2) a bill to improve the delivery of human services through the development and implementation of a plan to create one-stop service; multipurpose caseworker and team management; colocation of agencies; and information and referral systems.

## STUDY SUMMARY

The Interim Committee On Human Services was created by a mandate of the 1977 Legislature to study ways to improve the delivery of human services in Montana. The Committee on Priorities assigned three resolutions to the Committee-- House Joint Resolution 88 and 95 and Senate Joint Resolution 46.

House Joint Resolution 88 directed the Interim Committee to: (1) study the current system by which human services are provided; and (2) examine the concept of an "integrated system of the delivery of human services at the state and regional level."

House Joint Resolution 95 instructed the Interim Committee to study "certificate of need requirements" for new or expanded "mental health" facilities. The objective was the avoidance of duplication of services and the inefficient allocation of resources in the construction of regional mental health facilities. Montana law presently requires a certificate of need for the construction of "public health" facilities.

Senate Joint Resolution 46 directed the Committee to examine and place in suitable groupings in order to eliminate overlap and duplication those agencies which deliver services to and protect through the advocacy and appeal process. In addition, SJR 46 directed the Committee to consider: (1) placing the Adaptive Services Division of the Department of Institutions in another department; (2) placing the Hospital and Medical Facilities Division of the Department of Health and Environmental Sciences in another department; (3) combining the Health Sciences Division of the Department of Health and the Department of Social and Rehabilitation Services into a single department; (4) combining the advocacy and appeals agencies into a single department; and (5) placing the Environmental Sciences Division of the Health Department in another department.

After the Interim Committee completed research in several areas of human services, studied numerous articles and documents on reorganization, and heard testimony from a wide range of human service people from Montana and from surrounding states, it developed a proposal to reorganize the human services delivery system. The proposal called for the creation of an integrated decentralized delivery system.

The major components of the proposal were the abolition of the Departments of Institutions and Social and Rehabilitation Services and the creation of a Department of Corrections and a Department of Human Resources. Under the proposed Department of Human Resources, the delivery of services would have been decentralized to five district areas throughout the state.

The Interim Committee held a public hearing on this proposal on February 10, 1978. From the testimony of individuals and groups, the Committee concluded that the concept of a human service umbrella agency with decentralized authority was rejected. However there did appear to be support for the following concepts:

- (1) a permanent legislative oversight committee;
- (2) onestop service combined with colocation of services, information and referral systems, and multipurpose caseworkers and team management;
- (3) reorganization of specific human service areas (i.e. combining Boulder River School and Hospital with the Developmentally Disabled Program); and
- (4) a transfer of control from large state agencies to local governing units.

Since the Committee had used the proposed legislation and hearing process as a tool to give a clearer indication of human service problems, the committee decided to produce a series of bills to address the problems raised at the public hearing. The proposed bills were the following:

- (1) a bill to create a human services oversight committee;
- (2) a bill to improve the delivery of human services through the development and implementation of a plan to create one-stop service; multipurpose caseworker and team management; colocation of agencies; and information and referral systems;
- (3) bill to abolish the Department of Institutions, transferring certain functions to the Department of Health and Environmental Sciences and other functions to the Department of Social and Rehabilitation Services;
- (4) bill to transfer the Developmentally Disabled Division from the Department of Social and Rehabilitation Services to the Department of Institutions;
- (5) bill to transfer Youth Services from the Department of Institutions to the Department of Social and Rehabilitation Services;



(6) a bill to assure the cooperation of human services agencies;

(7) a bill to reduce the central office administrative staff of human service agencies by 25%;

(8) a bill to change the name of the Department of Institutions to the Department of Community and Residential Services;

(9) a resolution from the Committee to the Governor requesting that he reduce central office administrative staff of human service agencies;

(10) a resolution from the Committee to the Commissioner of Higher Education requesting that the Commissioner submit the University Affiliated Program through normal channels.

The Interim Committee held another public hearing on these bills. As a result of the testimony received at the hearing and further study, the Committee decided not to recommend the following bills: (3), (4), (5), (6), (7) and (9). Bills (3), (4), (5), and (6) were concerned with the fragmentation of services and the lack of coordination between human service agencies. The Committee concluded the rearrangement of services and a mandate to increase cooperation between agencies would not resolve the basic management problems of these programs. The Committee felt that these problems were mainly the responsibility of the executive branch. The Committee regretted that the executive branch had not used the interim study as an opportunity to work with the legislative branch to improve human services.

The Committee decided not to recommend the bill to reduce central office administrative staff since the appropriations process of the Legislature could accomplish the same goal. However, they did forward a resolution to the Governor from the Committee in order to express the concern of the Committee and the feelings reflected in testimony received by the Committee that human services were becoming top heavy with administrators while services to the clients were inadequate.

The Committee also decided not to recommend a change in the name of the Department of Institutions.

The Committee did recommend two bills to the 1979 Legislature.

1) A bill to create a permanent legislative human services oversight committee. The concept of a human services oversight committee is a concept that has been consistently supported throughout the interim study. There are several reasons for this support. Since appropriations for human service programs are extremely large and the majority of complaints received by legislators concern human service problems the Legislature needs a committee to continually monitor and inform the Legislature of human service activities. Legislators are aware of the problems of their district but the oversight committee could provide a comprehensive view of statewide human service problems. The oversight committee would also provide a sounding board for Montana citizens with human service problems. Finally, the benefits of oversight committees have been proven by the Revenue Oversight Committee and the Coal Tax Oversight Committee.

The oversight committee would be given several duties. It would be given the authority to: advise and consult with human service agencies; review proposed rules for human service agencies; conduct program review and evaluations; and make recommendations to the Legislature for corrective action.

2) A bill to improve the delivery of human services through the development and implementation of a plan to create one-stop service; multipurpose caseworker and team management; colocation of agencies; and information and referral systems.

Because of testimony received by the Committee and the success of similar projects in other states, the Committee adopted a bill requesting the Governor develop a plan to implement the following concepts: one-stop service; multipurpose caseworker and team management; colocation of agencies; and information and referral systems. One-stop service would mean that there is a common intake system for two or more services. Multipurpose caseworker and team management would help the client identify all appropriate services and would confirm that the services are provided. Colocation would be the placement of staff by two or more autonomous human services agencies in a common facility. Information and referral systems would mean a centralized system that would assess client problems, identify required services, assess eligibility, refer clients to appropriate agencies and then follow up the referrals.

The objective of the plan would be a method to help the individual through the system by increasing the information on available services; providing knowledgeable caseworkers; and by increasing the cooperation of human service agencies.

Rather than being asked to implement these concepts uniformly across the state without regard to need, the Governor is being asked to work with the oversight committee to determine where and when these services would be appropriate and feasible. The A.S.S.I.S.T. program, an information and referral system currently operating in Missoula, was identified by the Committee as an example of how well the concepts can work.

#### Other Recommendations of the Committee

The Committee passed the following resolutions:

- 1) a resolution requesting the Governor to reduce central office administrative staff of human service agencies;
- 2) a resolution requesting the Commissioner of Higher Education submit the University Affiliated Program through normal channels.





# 1. INTRODUCTION: THE STUDY OF THE HUMAN SERVICES DELIVERY SYSTEM IN MONTANA

I. The Committee on Priorities assigned the three resolutions, House Joint Resolutions 88 and 95 and Senate Joint Resolution 46, to an Interim Committee on Human Services comprised of ten legislators: two from the Senate State Administration Committee, two from the House of Representatives State Administration Committee, one from the Senate Health Committee, one from the House of Representatives Health Committee, two from the Senate Finance Committee, and two from the House of Representatives Appropriations Committee.

House Joint Resolution 88 directed the Interim Committee to focus broadly upon the delivery of human services in Montana. HJR 88 requested that the Interim Committee on Human Services: (1) study the current system by which human services are provided; and (2) examine the concept of an "integrated system of the delivery of human services at the state and regional levels." The objectives mentioned in HJR 88 included the elimination of overlap and duplication in the delivery of human services and the increase of the effectiveness of human services in areas in which services are now deficient.

House Joint Resolution 95 pertained to one aspect of human services -- mental health facilities. HJR 95 directed the Interim Committee to study "certificate of need requirements" for new or expanded "mental health" facilities. The state objective of HJR 95 was to avoid the duplication of services and the inefficient allocation of resources in the construction of regional mental health facilities. Montana law presently requires a certificate of need for the construction of "public health" facilities, such as hospitals.

Senate Joint Resolution 46, like HJR 88, focused broadly upon human services. Unlike HJR 88, however, SJR 46 isolated the various advocacy and appeal agencies for special attention. SJR 46 directed the Interim Committee to examine and to place in suitable groupings in order to eliminate overlap and duplication the following boards and agencies: the Merit System Council; State Tax Appeal Board; Indian Affairs Unit; Volunteer Bureau of the Department of Community Affairs; Office of Citizens' Advocate; Mental Health Advisory Council; Human Rights Division; Women's Bureau; Board of Personnel Appeals; Mental Disabilities Board of Visitors; Developmental Disabilities Advisory Council; Consumer Affairs Division; Board of Institutions; Status of Women Advisory Council; State Coordinator of Indian Affairs; and the Patient Advocate. In addition, SJR 46 directed the Committee to consider: (1) placing the Adoptive Services Division and the Corrections Division of the Department of Institutions in another department; (2) placing the Hospital and Medical Facilities Division of the Department of Health and Environmental

Services Division of the Department of Health and the Department of Social and Rehabilitation Services into a single department; (4) combining the advocacy and appeals agencies noted above into a single department; and (5) placing the Environmental Sciences Division of the Health Department in another department.

These resolutions resulted from a sense of frustration on the part of many legislators concerning the delivery of human services in Montana. Many legislators expressed the feeling that human services are provided in a crazy-quilt patchwork manner without rational design; that great duplication and overlap exist in human service programs; that scarce resources are managed inefficiently; and that competition among the providers of human services has resulted in deficiencies in the treatment of clients. This sense of frustration was best exemplified during the 1977 Session by the passage on second reading of Representative Joe Brand's bill (House Bill No. 534) to abolish the Department of Institutions and transfer its functions to the Department of Social and Rehabilitation Services. The bill was killed on third reading in favor of a study, subsequently assigned to the Interim Committee on Human Services.

## II.

Efforts to study and to improve the delivery of human services in Montana are not new. In 1971 the Commission on Executive Reorganization stated in its report to the Legislature that "there is no coordinated plan for the delivery of essential services [nor for] the identification of problems and the arrangement of priorities in the area of social and rehabilitation services."<sup>1</sup> Subsequently, the Legislature consolidated several fragmented social service functions into a new department, the Department of Social and Rehabilitation Services.

Two years later the Executive Reorganization Office, a research arm of the Governor, recommended further study of human services in Montana. In a memorandum to the 1973 Legislative Interim Committee on Public Health, Welfare, and Safety, the Executive Reorganization Office stated:

In our judgment, the ultimate solution to the current problem [administration of community services to developmentally disabled persons] and to future problems which are bound to arise is the area of human resources in a consolidated Department capable of a single, unified approach to the delivery of human resources...We conclude and recommend that this committee and the Montana Legislature give serious

consideration to the future integration of existing human resource agencies. This could conceivably take the form of a Department of Human Resources.<sup>2</sup>

Shortly thereafter, the Governor's Office applied for and received a three-year federal grant to study the delivery of human services. The grant was contingent upon the receipt of matching funds from the Legislature, which the Legislature supplied. The purpose of the study, called the Human Services Planning and Research Project (HSPRP), was to develop recommendations to make human service programs and agencies more "accessible, acceptable, appropriate, adaptable, and accountable."

The HSPRP was never completed. After two years of study, the project was terminated by mutual agreement of the federal government and the state of Montana. A few handbooks on treatment and resource inventory were issued, but no substantial recommendations for improving the delivery of human services were developed. Personality conflicts between executive branch officials and project staff, as well as problems in project parameters, doomed the study to failure.<sup>3</sup> If the project had been continued, the possibility of integrating certain functions of the Departments of Health and Environmental Sciences, Institutions, and Social and Rehabilitation Services would have been considered, according to a spokesman for Governor Judge.<sup>4</sup>

### III.

In determining its approach to the study of human services, the Interim Committee on Human Services evaluated a number of factors. These factors included: limited staff resources; limited funds; the experience of Montana and other states in the reorganization of human services; the parameters outlined in HJR and 95 and SJR 86; the literature on reorganization; and the availability of free outside assistance.

The Committee subsequently adopted a rather unique but extremely productive study design. The Committee decided to draft legislation early in the study period and to use that draft legislation as a vehicle to promote positive discussion on ways to improve Montana's human services delivery capabilities.

First, however, the Committee laid a solid foundation upon which to frame a legislative draft to reorganize the human services delivery structure. From July to December, 1977, the Committee completed research in several areas of human services, studied numerous articles and documents, and



gathered data from the executive branch and the Legislative Fiscal Analyst's Office on human service programs, FTE's, appropriations, and the extent of interaction among the human service agencies. The Committee also received many incisive critiques of Montana's human services delivery system from human service administrators, providers, and clients in response to a survey. In addition, the Committee's study benefited significantly from the fact that over thirty states had already undertaken the reorganization of their human service delivery systems. Dick Howard of the Council of State Governments presented the Committee with an overview of the experiences, pro and con, of other states in the reorganization of human services. Legislators from Oregon, Utah, and Idaho shared their perspective of their reorganizational efforts in a panel discussion with the Committee (see appendix A and B).

The remainder of this report presents an overview of social service development in Montana, a description of current problems, a discussion of the development of the Committee discussion draft, and a description of the Committee's deliberations in the discussion draft and subsequent bills.

#### FOOTNOTES

1. Montana Commission on Executive Reorganization. Executive Reorganization. A report to the Montana Legislative Assembly, Helena, Montana, December, 1979, p. 267.
2. Montana Executive Reorganization Office. Reorganization In Review. A report to the Montana Legislative General Assembly, Helena, Montana, December, 1972.
3. Memorandum attached to letter from Bob Lohn, Assistant Counsel, Office of the Governor, Montana, to Joe Brand, Chairman, Interim Committee on Human Services, Montana, February 15, 1977.
4. Letter from Bob Lohn, Assistant General Counsel, Office of the Governor, Montana, to Joe Brand, Chairman, Interim Committee on Human Services, Montana, February 15, 1977.



## 2. THE HUMAN SERVICES DELIVERY SYSTEM IN MONTANA: ITS HISTORICAL DEVELOPMENT

To trace the development of the human services delivery system at the state level in Montana, to the extent that it can be called a "system," is an arduous if not impossible task. As the Executive Reorganization Office stated in its 1972 report to the Legislature:

A significant problem faced by the Commission (on Executive Reorganization) was the lack of centralized and current records concerning the myriad of boards, commissions, councils, and officials existing in state government. It was difficult to determine exactly how many agencies of state government there actually were, what their statutory and administrative functions were, and if, in fact, they were performing or had performed the assigned functions.

Prior to Executive Reorganization of 1969-1971, the delivery of human services in Montana followed several largely independent and uncoordinated paths. Numerous agencies, boards, and councils provided services within the broad rubrics of welfare assistance, medical assistance, and institutional care -- often apart from and sometimes in conflict with one another.

The evolvement of the human services delivery system up to Executive Reorganization defies reasonable description. Welfare assistance evolved from a strictly county responsibility to a state supervised, county-administered system dependent upon large doses of federal funds. The organization of public health services developed slowly from the creation of a state board of health in 1901, local city-county health boards in the 1910's, and a state department of health in 1967. Institutions for those who required either medical, mental, or correctional facilities grew spasmodically and independently. In 1963, the major institutions were placed under the administration of the newly created Department of Public Institutions. Concurrently, human service programs expanded in many directions, especially during the 1960's, as legislatures responded to demands from various groups and to federal mandates. The new programs, which often transcended or cut across traditional functional lines and which were sometimes closely related in function to work already being done, were frequently created apart from existing agencies.

By the late 1960's, the human services delivery system reflected more of a conglomeration of cumbersome, fragmented, and autonomous components than a well-organized, smoothly functioning system. No single entity or conspiracy can claim responsibility for the development of the "nonsystem" of the delivery of human services. In part the "nonsystem" evolved because programs were created at various times



in response to needs and pressures of a particular moment; because the area of human services has increased vastly in complexity; because of increasingly complicated relationships between local, state, and federal governments; because of federal mandates; and because of the federal grant-in-aid system that, while permitting the use of federal funds for a wide variety of human needs, has lent itself to the fragmenting of program responsibility and the imposing of piecemeal approaches to complex human problems.

The existence of unwieldy systems for the delivery of human services is not unique to Montana, nor have they gone unrecognized. In the past decade, efforts in numerous states to come to grips with the organizational maze of human service programs have had unprecedented momentum, whether separately or as a part of a comprehensive scheme of executive reorganization.

In 1969-1971 Montana undertook a comprehensive reorganization of the executive branch of state government. This executive reorganizational effort accomplished several general goals in the area of human services as well as in other areas. It also left unfinished many reorganizational tasks, and it recognized that executive reorganization should be a continuous, dynamic process.

The Montana Commission on Executive Reorganization began its study with the premise that the fragmented and haphazard proliferation of governmental programs and agencies severely restricted the ability of the governor and the legislature to govern state government effectively and responsibly. The vast number -- 188 -- of agencies separately accountable to a variety of elected officials hindered the ability of the executive branch to respond to the problems and needs of broad public concern and of the legislature to set prudently considered policies and to exercise careful review of executive operations.

The accomplishments of this Executive Reorganization matched fairly well the objectives that were set. First, the effort was guided by the principle of keeping the number of separate, independent, organizational units to a minimum. One hundred eighty-eight entities were reduced to 19. Second, the executive branch was to be organized on a chain-of-command basis. Ultimate administrative authority would proceed from the Governor down through each department. Third, departments were to be organized by functions. Thus, for example, all social and rehabilitation functions were consolidated under the Department of Social and Rehabilitation Services. Finally, the 19 departments were to be headed where possible by a single administrator, appointed by and responsible to the Governor. Boards, commissions and councils that performed administrative functions were abolished, with few exceptions, and authority lodged with department directors.



Although the goals of the 1969-1971 executive reorganizational effort were substantially met, and there is no intent here to dismiss those accomplishments lightly, the effort did not go far enough. In the words of the Montana Executive Reorganization Office, the implementation of the recommendations of the Commission on Executive Reorganization only affected the lines of authority and responsibility within the executive branch.

The reorganization effort of 1969-1971 did not review specific programs to highlight areas of unnecessary overlap and duplication. The Reorganization Commission did not believe this was within its scope of activities as prescribed by the Legislature. The functions, programs, etc., of the executive branch were continued as performed prior to reorganization.

The reorganizational effort did not review services provided to the citizenry to determine in what areas services were deficient; to determine whether the goals of programs provided to certain clients were compatible or in conflict; and to determine whether appropriate mechanisms existed to encourage coordination and cooperation among agencies that provided similar but necessary services. In short, the reorganizational effort of 1969-1971 was not concerned with how well programs accomplish their goals. The reorganizational effort was geared to meet the needs of administrators, bureaucrats, and public officials, not clients.

This is not to fault or to criticize the 1969-1971 reorganizational effort. The primary mandate of that effort was to provide some semblance of generalized order out of a morass of fragmented and independent agencies.

However, it is to suggest, and this was recognized by the Commission on Reorganization, that executive reorganization must be continuous and dynamic if it is to affect effective and efficient service to the citizenry. Executive reorganization must be continuous to meet the demands of an everchanging society to avoid the errors of the past in which government grew and agencies and programs proliferated independently of and often in conflict with one another.



### 3. PROBLEMS IN THE DELIVERY OF HUMAN SERVICES IN MONTANA: DUPLICATION, CONFLICTS, AND NONCOORDINATION

The 1977 Legislature charged the Interim Committee on Human Services with a vast and complex undertaking--to exorcise the devils of overlap and duplication and to clarify lines of authority and responsibility. The result of this effort was to be an organizational structure that is more effective and efficient in meeting the needs of clients.

As part of its undertaking, the Committee surveyed legislators and human service administrators, providers, and client groups. The survey asked for examples of unnecessary duplication of services, examples of deficiencies, and suggestions to improve the human services delivery system.

The number and breadth of responses to the survey indicated a serious concern from all parties about the efficacy of the present system of delivering human services. The responses covered a broad range of topics in the human services field and, in many cases, were explicitly detailed. In presenting an outline of the results of the survey it must be noted that the survey simply identified problem areas. There was neither the time nor the resources to validate the results of the survey.

#### COMMON THREADS AND THEMES

Several common threads or themes appeared throughout the responses.

Leadership. Many respondents remarked upon a vacuum in leadership throughout the agencies charged with the responsibility of administering human services. Confusion is said to be the rule rather than the exception. Strong administrative direction is lacking. Human service workers who are "successful" have either learned to cope with the system or to manipulate it.

Coordination. The most prevalent theme in the surveys is the lack of coordination among human services agencies, especially among those that provide services to similar categories of clients.

Information. Another very frequent thread that runs throughout the responses is the lack of information available concerning "who is helping whom with what." Human service providers, especially at the regional and local levels, mentioned the lack of an information source about what kinds of services are available to clients. Others noted the need for an information and referral system.

Paperwork. For many respondents -- clients, providers, and administrators -- the paperwork in the human service system is nothing short of overwhelming. The number of forms that must be completed, the number of separate rules and regulations that must be deciphered, and the mass of compliance reports that must be submitted frustrate clients who need services, providers who provide services, and administrators who seek to provide direction.

Deficiencies. A majority of respondents cited examples of deficiencies and gaps in the providing of human services due to confusion, the lack of coordination and information, and a scarcity of resources.

Improvements. Many suggestions were offered to improve the system. Some appeared to be administrative in nature, while others were structural. With the possible exception of some kind of local-regional structure, no consistent model for organizational change appeared through the responses, suggesting that there is no single "right" organizational structure for the effective delivery of human services.

Funding. Only a few respondents failed to address, at least briefly, the subject of funds. Most respondents acknowledged the finite limits of funds in Montana and seemed genuinely concerned with developing funding mechanisms to better share scarce resources. This seemed especially true of those who are involved in providing services to similar clients.

## SPECIFIC PROBLEMS AND PROPOSED SOLUTIONS

### Youth Services

Typical of the many responses received concerning youth services was the comment that problems stem from attempting to coordinate multiagency services into a meaningful delivery system.

A number of agencies in 6 major departments, excluding the court system and numerous private and local government agencies, are involved in the delivery of services to youths. Services to youths fall under three general categories: child welfare, juvenile programs and corrections, and youth development. All are, or should be, inextricably interwoven. The problems, according to the responses, are widespread. Upon entering the system, youths are often misplaced; they are constantly transferred between agencies; upon each transfer, they frequently begin at "base zero" in evaluation, treatment, needs assessment, etc. Moreover, the question arises as to which agency is responsible for which service to youths.

Interagency cooperation appears to be at a minimum in youth services. Information is infrequently shared, perhaps because of confidentiality requirements, or it is nonexistent.



While numerous agencies serve youths from the ages of 8 - 18 and compete for the same dollar, services to children from 0 - 6 are shortchanged.

Proposed colutions focused upon interagency and interstaff cooperation. The concept of a youth management team was frequently mentioned. A number of other, not mutually exclusive proposals, were also offered, including a detailed resource directory, review of confidentiality requirements, and the establishment of youth treatment centers in Montana instead of out-of-state placements.

#### Developmentally Disabled, Intitutions, and Regional Mental Health Centers

Perhaps the second largest number of responses emanated from those concerned with DD, institutions, and regional mental health services. As in the area of youth services, several agencies and departments are involved in services to the mentally retarded. Mentioned most frequently were: the need to clarify the role of institutions, especially Warm Springs; the need to clarify and coordinate or consolidate the roles of SRS and the Department of Institutions relative to the DD program; the need to develop a long-term followup or tracking system for DD clients. Proposed solutions included the phasing out of Boulder River School and Hospital, the transfer of certain Boulder patients and functions to Warm Springs or Galen, the establishment of mini-institutions, the assumption of the entire DD program by Boulder, and the assumption of the entire DD program by SRS.

#### Welfare Assistance, State and County

State and county governments are intertwined in a complex web of program regulations, financial requirements, and the delivery of economic assistance and social services. These activities are state-supervised and county-administered. Local public assistance administrators thus frequently serve two masters -- the state department of SRS and the county commissioners. The most frequently mentioned proposal was for the state to assume administrative as well as supervisory responsibility for public assistance programs.

#### Information and Referral

Strong emphasis was placed by many respondents on the need for a resource directory of human services, a directory that a provider could use to refer a client to a particular agency for assistance. Typical was the comment that it is sometimes necessary to contact three or four persons until one is in contact with the proper agency.

Clients suffered similar frustrations. And equally strong emphasis was placed upon the need for a "single-purpose application form" and for a "one-stop service center". Clients frequently need services that are provided by a number of different agencies.

An additional proposal often mentioned was a need to have local and regional service representatives, e.g., for the aged, for DD, health, etc., work out of the same office complex. Access to the system for clients would be improved.

#### Nursing Homes

Several respondents cited the rising cost of nursing home care, the poor level of service, and the long delay in reimbursement payments. One proposal offered was that nursing homes be "nationalized" in Montana, that is, put under state control. This was viewed as a way to improve services while keeping costs down.

#### Aged Services

Services for the aged are provided through at least three major departments: Health, SRS, and Institutions. Consolidation of aged programs was offered as a means to improve the "patchwork" nature of the current delivery system.

#### Tuberculosis

Both the departments of health and institutions have responsibility for TB patients, the number of which has declined substantially over the years. Galen State Hospital has failed in some instances to report to the Health Department about discharged patients. Proposed solution: turn entire TB program over to Health; allow them to contract with general hospitals for treatment of TB patients.

#### Rural Human Services

According to several replies, services to clients in rural areas are hampered by a scarcity of resources and by geographical distances. Some counties, e.g., Mineral, have such a low tax base that they cannot afford to share in regional services. When services are available, they are provided on a very limited basis -- caseworkers, workers etc., visit some rural counties for only brief periods each month.

## Structural and Organizational

Of several changes in the structure of the delivery system offered by consideration, three suggestions appeared rather frequently: (1) regionalization of human services; (2) local human service teams; (3) establishment of interagency councils at the regional or local level. All three were offered as a means to effect greater coordination and cooperation between service providers and as a means to effect greater economy and efficiency in the delivery system. And all three approaches, none of which appeared mutually exclusive, seemed to move in the direction of a human services intergration process to overcome fragmentation, duplication, and inefficient use of resources.





#### 4. DEVELOPMENT OF A COMMITTEE DISCUSSION DRAFT

##### I.

In adhering to the next step in the research methodology, the Interim Committee adopted a draft proposal to reorganize Montana's human service system. In analyzing the attempts at reorganization of human service delivery systems in other states, the Committee recognized that there isn't a classical reorganization plan or experience. Reorganization in each state was an attempt to respond to the unique problems of that state while maintaining the organizational structure necessary to carry out federal regulations.

Prior to recent reorganization attempts, traditional modes of policymaking, program administration, and service delivery practices tended to organize human service delivery along categorical lines, treating each service separately rather than coordinating services for individuals and families. Traditional patterns for delivering services have been found to be insufficiently comprehensive to deal with the multiproblem situations so often presented by clients and their families.

The Committee recognized that, although the goals and accomplishments have differed from state to state, there are central issues that most reorganization efforts address. These issues are: the question of programs to be included; the location of responsibility for service delivery; the extent to which administrative services should be centralized; the degree of power granted department directors (e.g., the shifting of funds, of personnel, of programs); and the extent to which the legislature should involve itself in management and administration operations.

Based on the research conducted, the following organizational issues were identified in Montana:

The problems of clients who enter the system are compounded by the system. Clients find it extremely difficult to go to a single source and receive the help they need. Often they are referred from one agency to another and often these agencies are located a considerable distance from each other. Clients are frequently required to fill out several forms each of which requests essentially the same information. Frequently, eligibility and background determinations are made by one agency and services provided by another.

The fragmentation of human service is severe. Numerous agencies in different departments provide services to the same kinds of clients.

Coordination between the various agencies, especially between those who serve similar clients, is for all practical purposes nonexistent. Boundary maintenance and domain protection are more common than collaboration and cooperation.

Goals and objectives often lack clear statements of purpose. Even when there are relatively clear statements of purpose for specific programs, there is virtually no coordination of these goals with goals and objectives for complementary programs. Nor is there an overall human services policy statement or goal which has been established by the state at which all human services programs could aim. Moreover, there is an absence of vision about where Montana should be in the future in human services.

Instances of duplication and overlap are difficult to identify specifically. Administrative services appear to be duplicative and excessive. However, as one authority on reorganization has commented: "...in any organization, governmental or other, overlapping and duplication are not chronic or extensive...the chronic governmental failing is the opposite of duplication -- a failing to integrate delicately and systematically aspects of activities having common significance."

Fixing responsibility and accountability in Montana's existing human services delivery system is nearly impossible. No one appears to have both the responsibility and authority to force things to happen. One of the goals of executive reorganization in 1971-1972 was to clearly fix responsibility for the coordination of government services in the executive. This has not been accomplished in human services. Instead, what we have is a system that resembles a confederation of individual sovereigns in which professional ideologies conflict and battles rage over who controls the resources.

There is virtually no evaluation of the effectiveness of programs being done. What little evaluation that is being done is performed by department staff or by the Office of Budget and Program Planning for internal use, rather than as a centralized policymaking tool for elected officials.

No system for comprehensive human services delivery exists. Planning efforts are scattered among the various departments. Each department and often each agency attempts to identify resources to meet needs without regard to the needs of other programs. Competition for funds, not coordination, is the rule. Consequently, gaps in services are nearly impossible to identify with any precision.

There are personnel barriers to the effective delivery of services in the present system. For whatever reasons -- imagined or real barriers in the personnel merit systems, management's failure to exercise its prerogatives in this area, etc. -- it is difficult to terminate unproductive employees.

## II.

After identifying these areas of concern the Committee adopted the draft proposal. The proposal was designed to respond to these problem areas but it was also to be used as a tool for soliciting additional, specific information on methods to improve Montana's human service delivery capabilities. The fact that the draft was not recommended by the Committee for adoption thus did not diminish its effectiveness as a committee research tool. The draft contained a number of salient features.

The bill began with a policy statement, to-wit, that it is the intent of the Legislature to promote greater client access to services and more efficient use of resources through the creation of a well integrated, decentralized delivery system.

The bill would have abolished the Department of Social and Rehabilitation Services and the Department of Institutions.

The bill would have created a Department of Human Resources and a Department of Corrections.

The bill would have established within the Department of Human Resources nine state-level divisions and five substate administrative districts. The nine state-level divisions integrated service areas according to areas of concern. The divisions and their units were:

### (1) and (2) Administrative Services and Planning and Evaluation

These divisions or offices included parts of what are now the central management office staffs in SRS and Institutions. It was anticipated that the consolidation of these functions would provide the director of the department with a much greater capacity to set direction for the entire human services department, determine priorities, effect resource allocation, and evaluate program results. It was also anticipated the consolidation of these offices would free personnel and dollar resources for dispersal to direct-line service delivery areas.

### (3) Community Services Division

This division included what is now the Human Resources Division in the Department of Community Affairs.



#### (4) Youth Services

This division integrated all of the youth services now provided by SRS and Institutions, including the administration of Pine Hills, Mountain View, and the Swan River Youth Forest Camp. As revealed in earlier testimony and research, youth services is one of the most fragmented areas of concern in the human services field in state government.

#### (5) Mental Health

This element of the draft placed comprehensive services for the emotionally disturbed and Warm Springs State Hospital in one division. The bill abolished the five mental health centers as nonprofit vendors and made them entities of the state.

#### (6) Developmental Disabilities

This division integrated the developmental disabilities program with the institutional care and treatment of the mentally retarded.

#### (7) Rehabilitative Services

This division integrated the Rehabilitative Services Division and the Visual Services Division in SRS.

#### (8) Family Services

This division integrated the currently fragmented programs and services of the Economic Assistance Division, the Veterans' Affairs Division, and part of the Community Services Division in SRS. It also placed the responsibility for the administration of the Center for the Aged and the Veterans' Home in Family Services.

#### (9) Health

This element of the draft placed the Health Services Division, the Health Education Bureau, the Records and Statistics Bureau, and the Nursing Bureau now in the Department of Health, and the Alcohol and Drug Abuse program now in Institutions, including Galen State Hospital, in the Health Division in the Department of Human Resources.

The district directors in the five substate administrative districts were provided with broad responsibility and authority for the delivery of services. The five substate districts conformed to the current five mental health regions in the state. These five regions also corresponded to fire districts, planning districts, etc. In other words, the structure for local district delivery of services was already in place.

The bill left adult corrections out of the Department of Human Resources. A department of Corrections was created. It was felt that the Legislature would find corrections more visible as an independent department than as an agency in an HR department.

The bill abolished the Board of Institutions, the Board of Veterans' Affairs, the Board of Social and Rehabilitation Appeals, the Board of Visitors, and the Board of Eugenics. The Board of Eugenics has not met for several years and was not funded for this biennium. In place of the other three boards, the bill established a board of human resources and five district advisory boards.

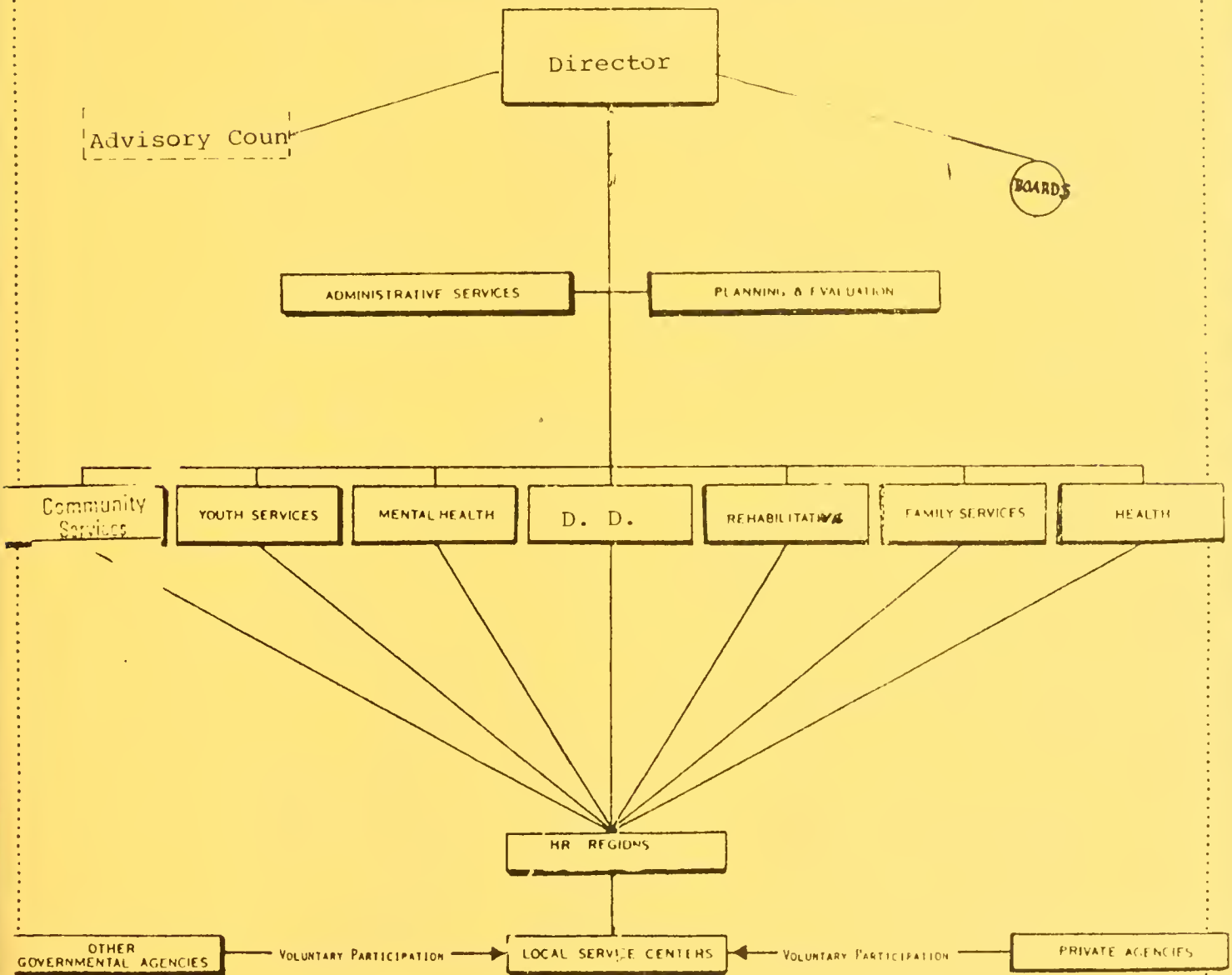
The bill created a legislative human resources oversight committee to work with the executive branch during the implementation and transition stages. The oversight committee was given authority to review the implementation plan presented by the executive branch and to make recommendations to the Legislature and to the executive branch regarding the implementation and transition processes.

The following organizational charts outline the proposed reorganizational structure:

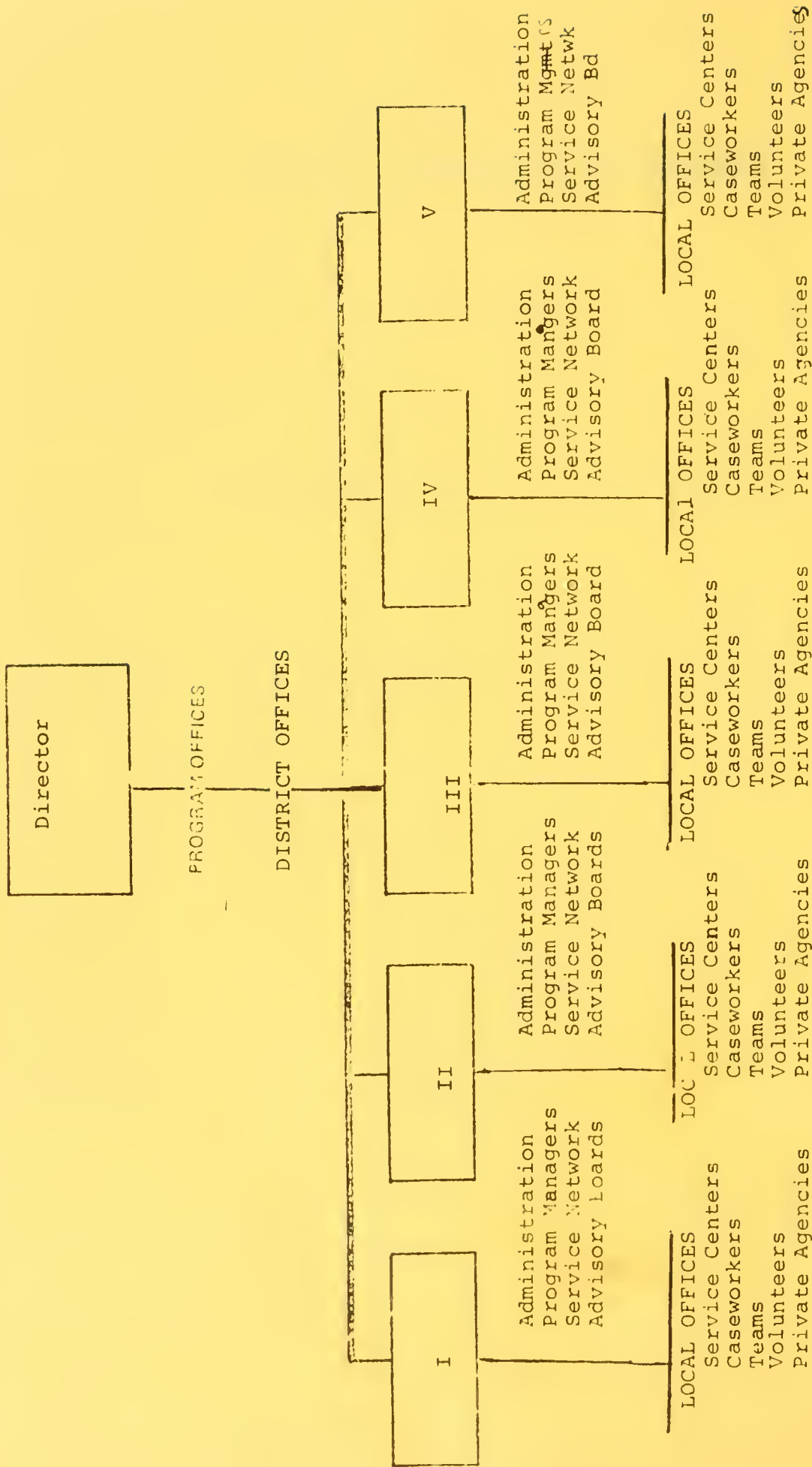


Department of Human Resources

# ORGANIZATIONAL CHART

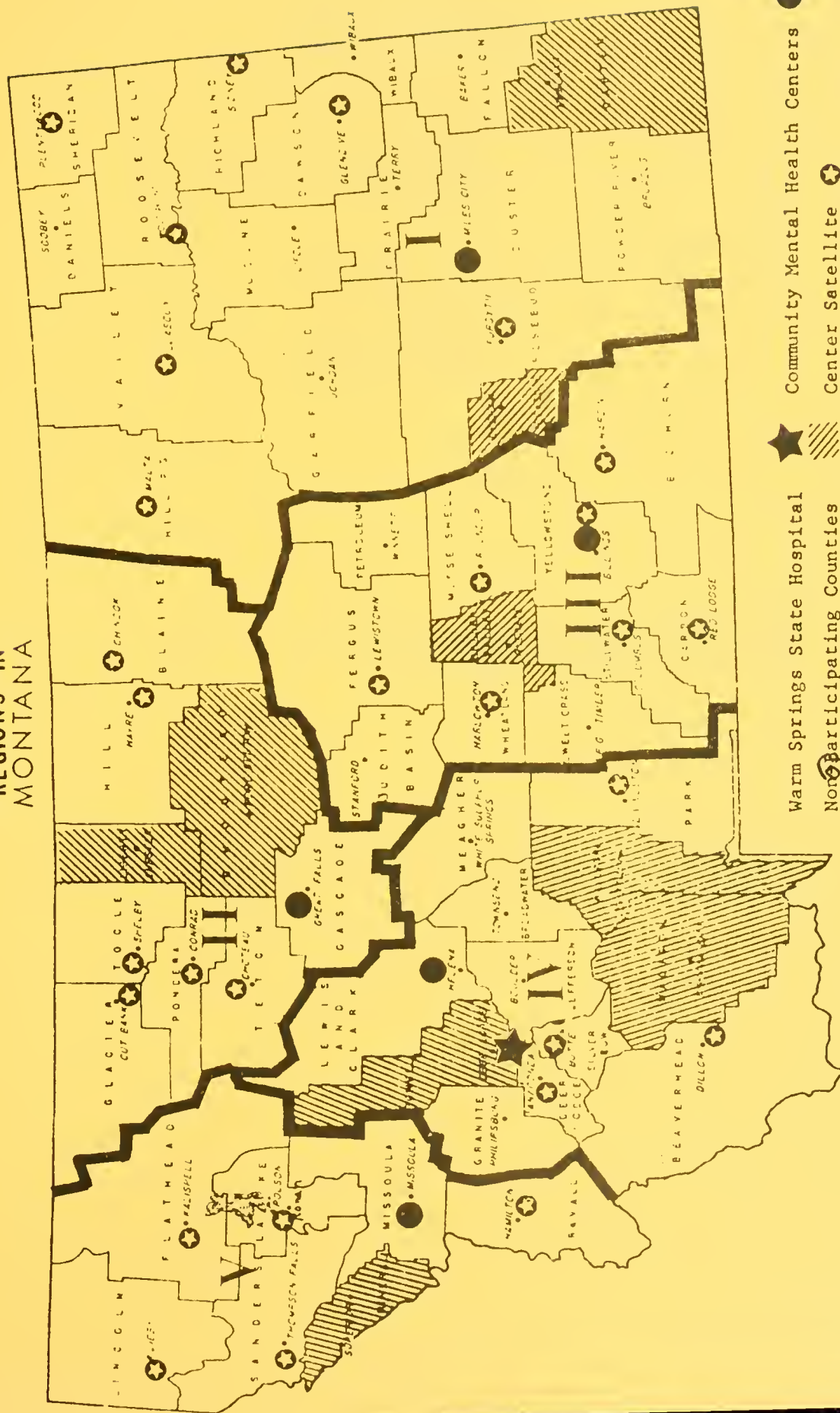


DEPARTMENT OF HUMAN RESOURCES





# MENTAL HEALTH REGIONS IN MONTANA



- ★ Warm Springs State Hospital
- ★ Community Mental Health Centers
- ★ Center Satellite
- ▨ Non-Participating Counties

JULY 1977

DIRECTOR

Administrative Assistant  
Information Services  
Legal

FY 1978

FTE =

Appropriation =

Includes: Parts of director's staff in SRS  
and Institutions.

ADMINISTRATIVE SERVICES
----------------------------

Purchasing  
Budgeting and Accounting  
Internal Audits  
Personnel  
Data Processing

FY 1978  
FTE =  
Appropriation =

Includes: Centralized Services, Field Operations,  
Management and Budget, Staff Development  
in SRS; Management Services and Special  
Unit in Institutions.

PLANNING AND  
EVALUATION

Research  
Evaluation  
Policy Analysis  
Management Analysis  
Operations Review  
Comprehensive Human Services Planning

FY 1978  
FTE =  
Appropriation =

Includes: Parts of central office staffs now in  
SRS and Institutions.

YOUTH SERVICES  
DIVISION

Community Programs

Aftercare  
Community Coordinated Child Care  
Attention Homes, Guidance Homes,  
Achievement Homes  
Child Welfare  
Day Care  
Youth Development

Institutions

Pine Hills  
Mountain View  
Swan River Youth Forest Camp

FY 1978  
FTE =  
Appropriation =  
Clients =

Includes: All child and youth services presently in SRS  
and Institutions.



COMMUNITY SERVICES  
DIVISION

Community Programs

Monitor, Evaluate  
Human Resource Development  
Councils  
Foster Volunteerism

FY 1978  
FTE =  
Appropriation =  
Clients =

Includes: The Human Resources Division presently in the Department of Community Affairs. The granting capability now in the Human Resources Division would be transferred to the Director's Office of the Department of Human Resources.

MENTAL HEALTH  
DIVISION

Community Programs

Comprehensive Services for  
the Emotionally Disturbed  
Community Mental Health Centers

Institutions

Warm Springs State Hospital

FY 1978

FTE =

Appropriations =

Clients =

Includes: The five Mental Health Centers presently  
under contract with the Department of  
Institutions, and Warm Springs State Hospital.

DEVELOPMENTAL DISABILITIES  
DIVISION

Community Programs

Developmental Disabilities  
Institutional Care and Treatment

Institutions

Boulder  
Eastmont

FY 1978  
FTE =  
Appropriation =  
Clients =

Includes: Combines the DD division in SRS and the retardation services in the Department of Institutions, including Boulder River School and Hospital and Eastmont Training Center.

FAMILY SERVICES  
DIVISION

Community Programs

Economic Assistance  
Social Services  
Aging Services  
Children (AFDC)  
Medical Services  
    Medicaid  
    Medicare  
    Food Stamps  
Adoptions  
Foster Homes  
Veterans

Institutions

Center For The Aged  
Veterans' Home

FY 1978  
FTE =  
Appropriation =  
Clients =

Includes: Economic Assistance Division, Veterans' Affairs Division, and part of Community Services Division in SRS; and the Center For The Aged and the Veterans' Home in the Department of Institutions.

REHABILITATIVE  
SERVICES DIVISION

Community Programs

Vocational Rehabilitation  
Medical/Related Services  
Visual Services  
Deaf Services  
Disability Determination

FY 1978  
FTE =  
Appropriations =  
Clients =

Includes: The Rehabilitative Services Division and the  
Visual Services Division presently in SRS.



HEALTH  
DIVISION

Community Programs

Health Services  
Maternal and Child Health  
Dental  
Preventive  
Public Health Nurses  
Records and Statistics  
Health Education  
Tuberculosis  
Renal Disease  
Alcohol and Drug Abuse

Institutions

Galen State Hospital

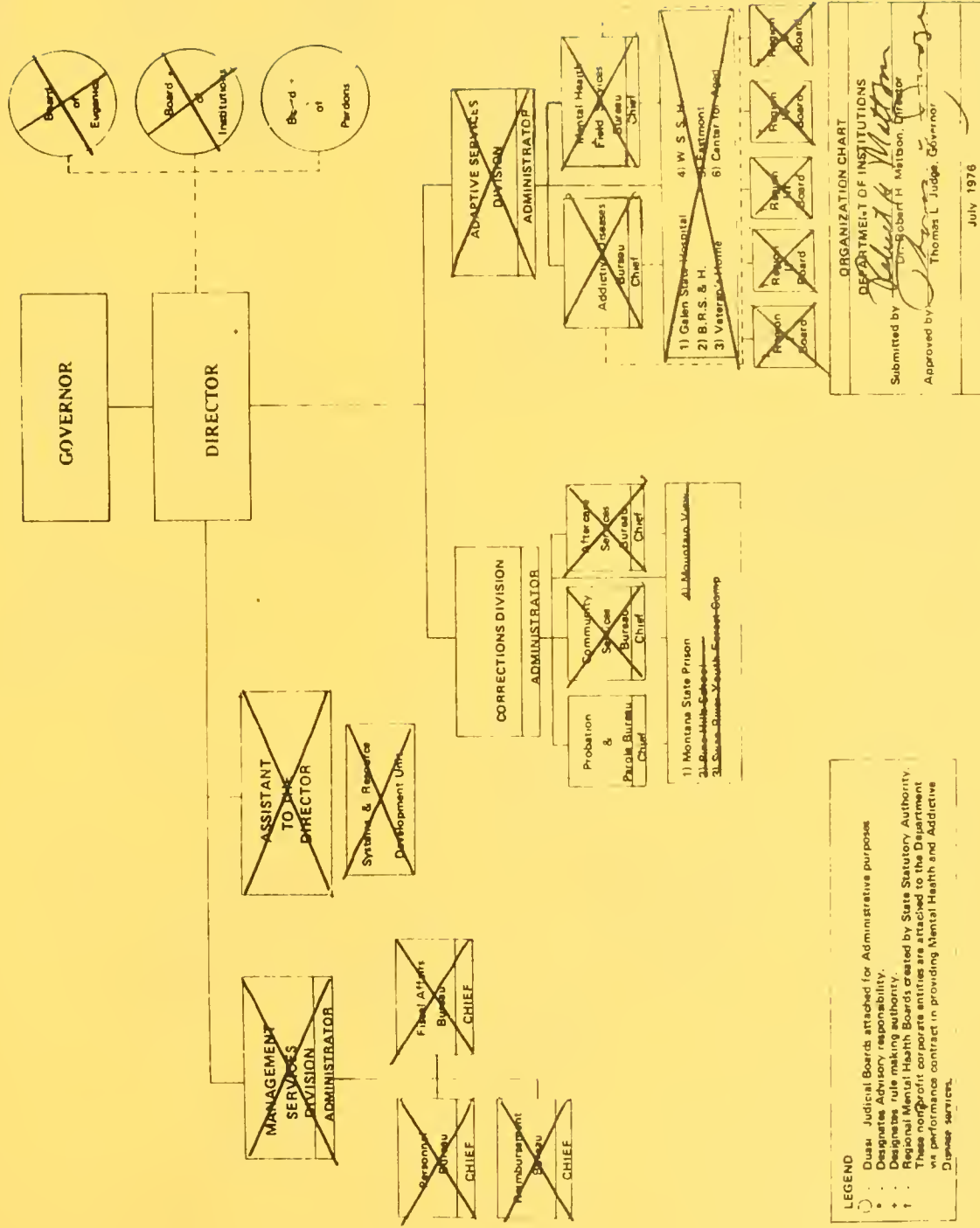
FY 1978  
FTE =  
Appropriation =  
Clients =

Includes: The Health Services Division, the Health Education Bureau, the Records and Statistics Bureau, and the Nursing Bureau in the Department of Health; and the Alcohol and Drug Abuse program, including Galen State Hospital, in the Department of Institutions. Also includes the TB and Renal Disease programs presently fragmented between Health, SRS, and Institutions.

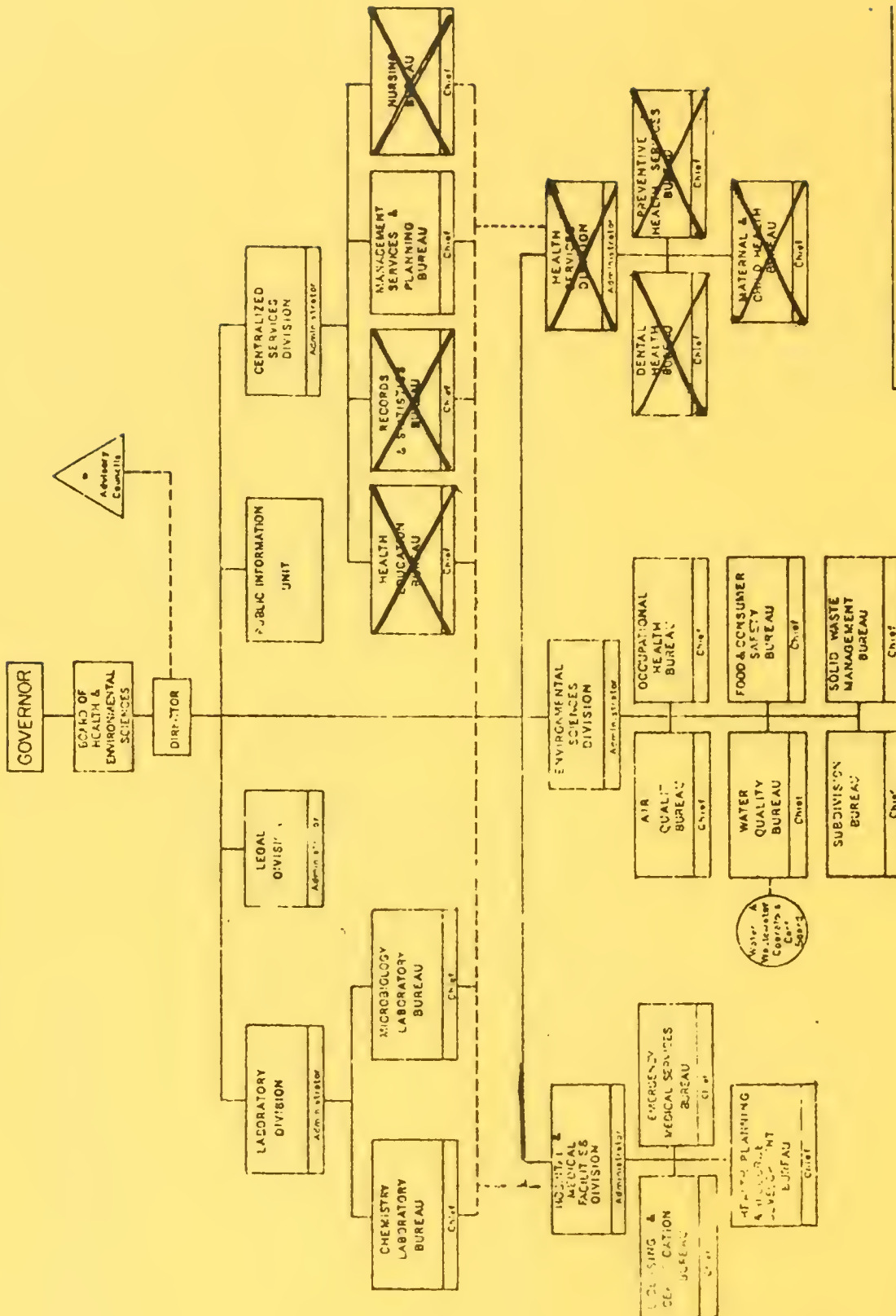
2



## DEPARTMENT OF CORRECTIONS



# DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES



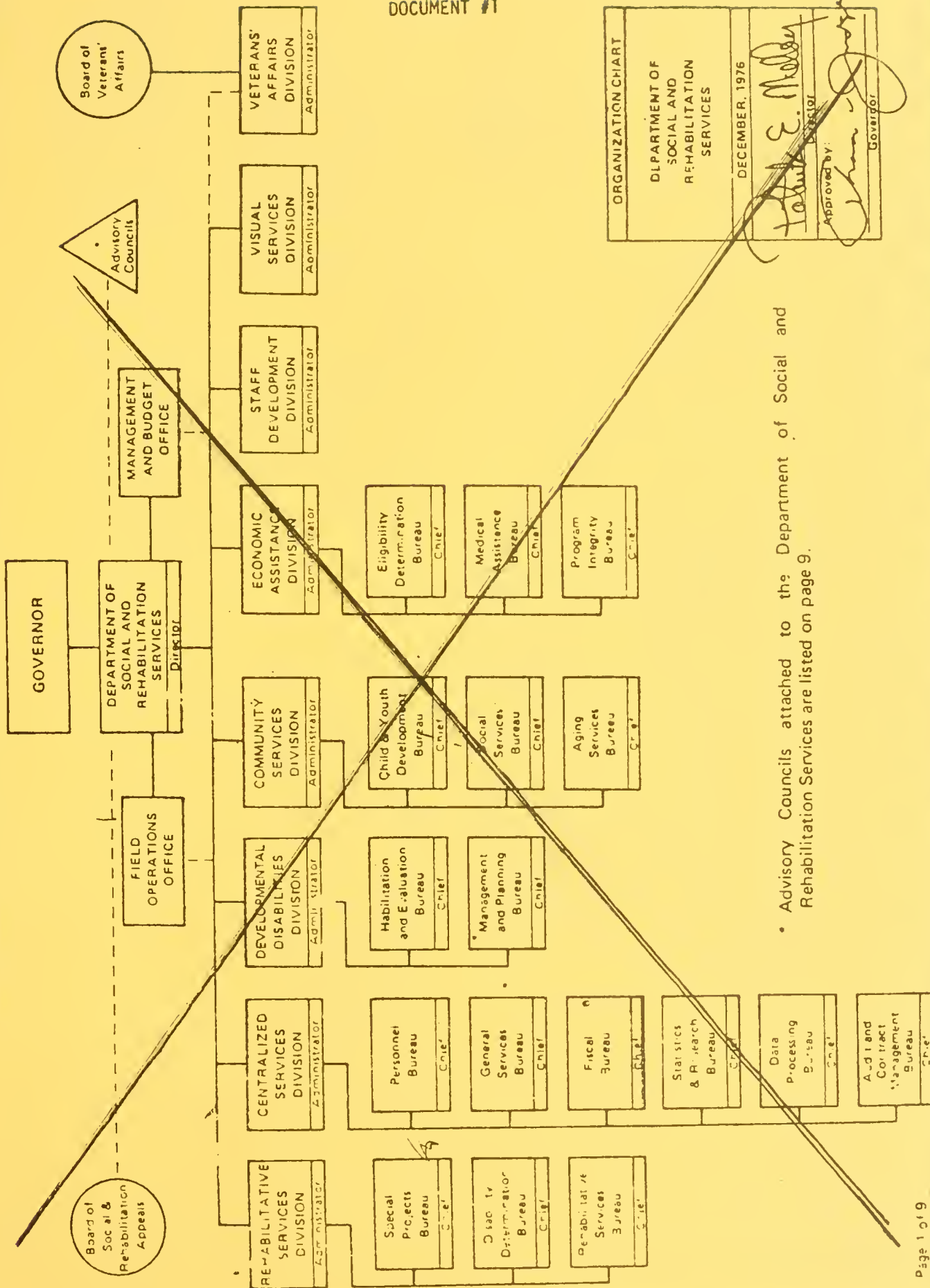
ORGANIZATION CHART  
DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES  
By 1.15.76 *X. A. Akbar*  
Submitted by: *X. A. Akbar* Director  
Approved by: *X. A. Akbar* Governor

Advisory Councils:  
Air Pollution Control Advisory Council  
Water Pollution Control Advisory Council  
Emergency Medical Services Advisory Council



# DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DOCUMENT #1

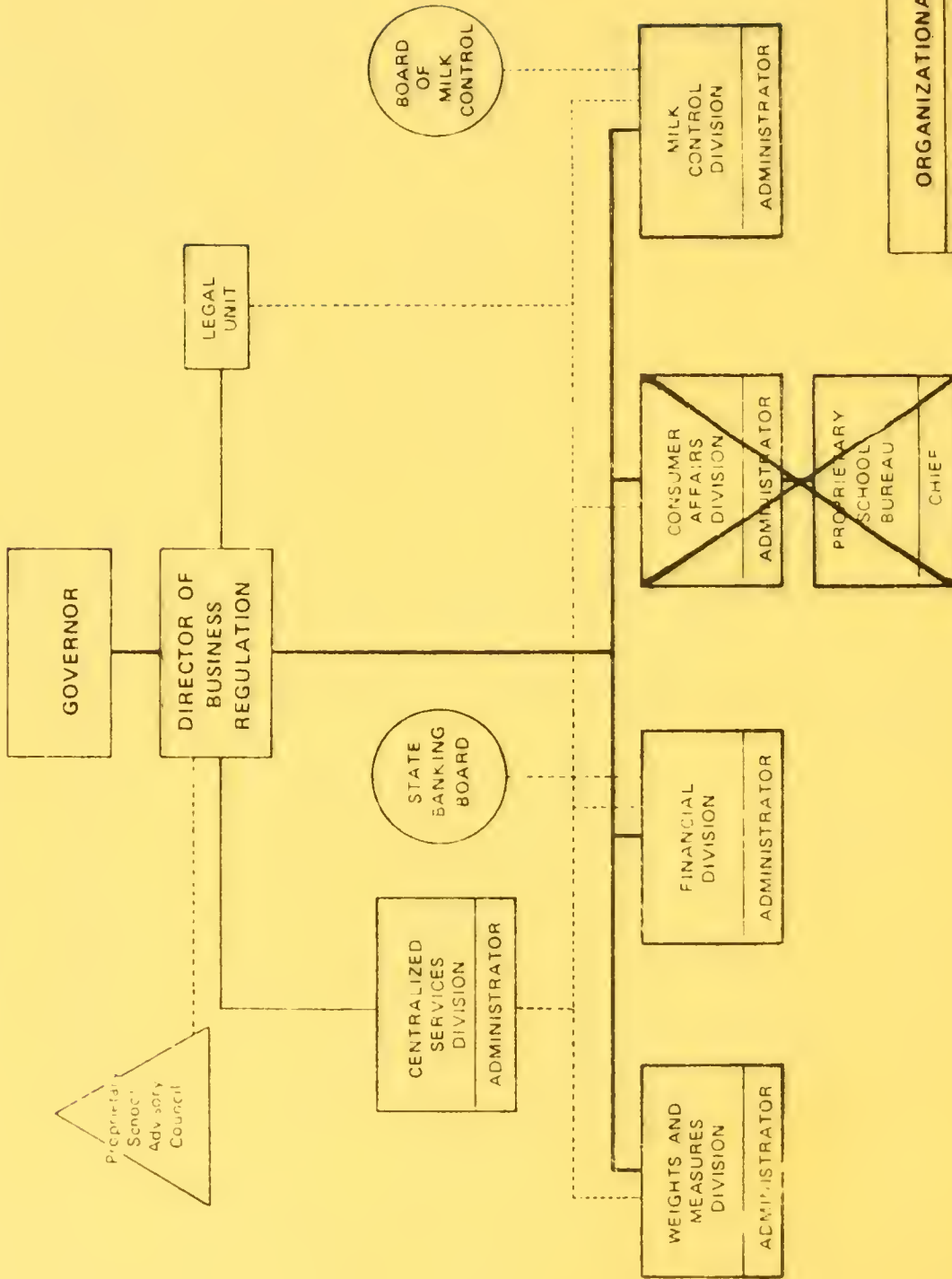


\* Advisory Councils attached to the Department of Social and Rehabilitation Services are listed on page 9.

ORGANIZATION CHART	
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES	
DECEMBER, 1976	
Approved by:	<i>John E. Molloy</i> Director
Approved by:	<i>John E. Molloy</i> Governor



# BUSINESS REGULATION



## ORGANIZATIONAL CHART

DEPARTMENT OF BUSINESS  
REGULATION

July 1, 1975

Submitted by *[Signature]*

Approved by *[Signature]*

## DEPARTMENT OF JUSTICE

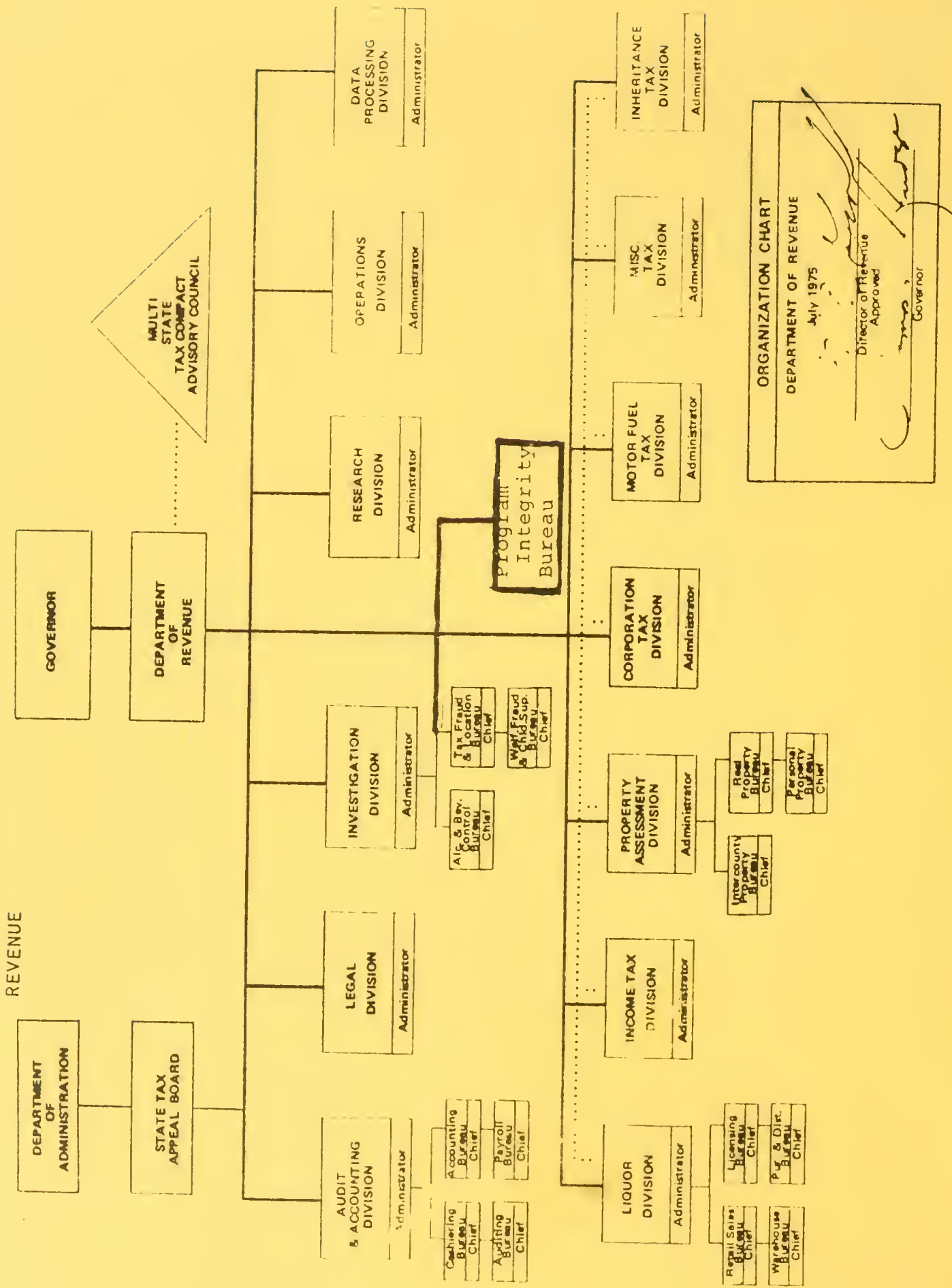


The organizational chart for the Department of Revenue is structured as follows:

- GOVERNOR**
  - DEPARTMENT OF REVENUE**
    - STATE TAX APPEAL BOARD**
      - DEPARTMENT OF ADMINISTRATION**
    - AUDIT & ACCOUNTING DIVISION** (Administrator)
      - Cashiering Bureau Chief
      - Accounting Bureau Chief
      - Payroll Bureau Chief
      - Auditing Bureau Chief
    - LEGAL DIVISION** (Administrator)
    - INVESTIGATION DIVISION** (Administrator)
      - AIC & Bev. Control Bureau Chief
      - Tax Fraud & Evasion Bureau Chief
      - Wet. Fraud & Child Sup. Bureau Chief
    - RESEARCH DIVISION** (Administrator)
    - OPERATIONS DIVISION** (Administrator)
    - DATA PROCESSING DIVISION** (Administrator)
  - Program Integrity Bureau** (Central Hub)
  - LIQUOR DIVISION** (Administrator)
    - Retail Sales Bureau Chief
    - Licensing Bureau Chief
    - Warehouse Bureau Chief
    - Pur. & Dist. Bureau Chief
  - INCOME TAX DIVISION** (Administrator)
  - PROPERTY ASSESSMENT DIVISION** (Administrator)
    - Intercounty Property Bureau Chief
    - Real Property Bureau Chief
    - Personal Property Bureau Chief
  - CORPORATION TAX DIVISION** (Administrator)
  - MOTOR FUEL TAX DIVISION** (Administrator)
  - MISC. TAX DIVISION** (Administrator)
  - INHERITANCE TAX DIVISION** (Administrator)

**MULTI STATE TAX COMPACT ADVISORY COUNCIL** (Advisory Body)

**ORGANIZATION CHART**  
DEPARTMENT OF REVENUE  
July 1975  
Director of Revenue Approved  
Governor



ORGANIZATION CHART

DEPARTMENT OF REVENUE

July 1975

Director of Revenue  
Approved

Governor

### III.

Since the Interim Committee was using the Discussion Draft as a tool to elicit comments on reorganization, it solicited written testimony on the draft and held a public hearing in Helena. The objective was to gather critiques as well as to obtain more information on how to improve the management of human services in Montana. Fifty-six persons or groups testified on the bill. The positive reactions may be summarized as follows:

- (1) There was broad approval of the placement of DD and BRS&H in one department.
- (2) The emphasis on coordination of services and the elimination of duplication of services also met with approval.
- (3) Several felt that regionalism would break down county boundaries and allow for better local service.
- (4) The concept of an oversight committee was well received.
- (5) The combining of youth services was favored.
- (6) The decentralization of services and decision-making was viewed as a positive approach.
- (7) The development and utilization of multipurpose caseworkers, team case management, one-stop service centers, and co-location of agencies had broad approval.

There were many questions raised during the public hearing which were useful in focusing attention upon potential problem areas. The questions pointed out the complexity of the reorganization attempt since the questions differed as to the type of change which would provide solutions to the problems. Some changes involved structural reorganization, other functional reorganization, while still others were concerned with external restraints on the suggested changes.

The areas of change and the questions raised concerning those changes are:

#### A. Structural

- (1) Should the powers and duties of the director and regional director be specified?
- (2) Should the qualifications of director and regional directors be specified? (merit system or not)



- (3) Should the administrative hierarchy be outlined? (divisions?)
- (4) What will be the relationship between state and county if the regional concept is adopted?
- (5) Should planning be on the district level or in director's office? If it is in the director's office, will there be input from local groups?
- (6) Should services that are now divided to provide a watch-dog function be placed together in the same agency, i.e., the Human Resource Division of DCA into the Human Resource Department.

#### B. Functional

Since the committee draft addressed the question of functional reorganization of services rather than the traditional categorical organization, there were many questions concerned with this area. They are:

- (1) Should youth and family services be together or separate (e.g., place adoptions and foster care with day care and child care)?
- (2) What about adult foster homes -- should they be treated separately from youth foster homes?
- (3) Does the consumer have input -- what about grass roots organizations?
- (4) What role is there for consumer advocates?
- (5) What happens to the councils, boards, etc., that now exist but which are not mentioned in the discussion draft (e.g., DD advisory councils, mental health boards)?
- (6) What about youth detention and corrections (e.g., Pine Hills, Mountain View, and Swan River)? Should they be separate from adult corrections? What about community services for youth corrections?

Concern was expressed regarding the makeup of advisory boards. It was felt that the members of the boards must be independent of the agency. Suggestions for solving this problem were: 1) have the general population and members of related private organizations nominate members; 2) have the county commissioners submit nominations to the Governor; made by the Governor with the approval of division heads and Legislature.



### C. Regionalism

The concept of regionalism or decentralization of state services has had varied success in reorganization attempts in other states. The introduction of a stronger district or regional administration may be seen as a threat to local agencies. The following questions reflected the concerns expressed at the hearing.

- (1) Will it be just another layer of bureaucracy?
- (2) Would it take control from the counties?
- (3) Will it reflect funding sources?
- (4) Would it interrupt present contracted services with private nonprofit organizations?
- (5) Would the directors be professionals or generalists?
- (6) How would the district advisory boards relate to existing boards?
- (7) How would the district structure interact with county structure (e.g., funding)?
- (8) Will there be confusion within the line authority?

### D. Federal-State Conflict

One of the major barriers to reorganization in other states has been conflict between state and federal organizational requirements. In the hearing the following concerns were expressed as potential areas of conflict: (1) the inclusion of vocational rehabilitation within the Human Resources Division rather than in a single agency; (2) confidentiality and one-stop centers; (3) DCA human resource board representation; and (4) private nonprofit organizations.

### E. Mental Health

The proposed changes in the nonprofit status of mental health centers brought many interested individuals to the hearing. The major objections to the changes were that professionalism, client accessibility, and grass root support would be lost if the five mental health centers were made entities of the state. One suggestion made was to leave the centers as nonprofit but to include them within the Department of Health and Environmental Sciences. This would mean leaving DH&ES as a separate department but

including mental health, Warm Springs, alcohol and drug abuse, and Galen with the Department of Health and Environmental Sciences.

The hearing was a good beginning toward defining the process of improving the management of human services in Montana. The Committee then faced the decision of reworking the Committee Discussion Draft or redefining their duties to focus on legislation to provide solutions to specific problem areas. The Committee decided to reject the Discussion Draft and to concentrate on problem areas. The following chapter describes the Committee's deliberations and recommendations.

## 5. COMMITTEE DELIBERATIONS AND RECOMMENDATIONS

The direction of the Interim Study on Human Services was originally defined by the three resolutions assigned to it. Over the course of the sixteen month study, the Interim Committee held eight meetings and two public hearings. From the testimony received at the meetings and public hearings along with an intensive study of reorganization in other states and an investigation of Montana's human service system, the Committee redefined and narrowed the scope of its study. This chapter will review the original resolutions and present the Committee's deliberations and final recommendations.

### I.

House Joint Resolution 88 directed the interim Committee to: (1) study the current system by which human services are provided; and (2) examine the concept of an "integrated system of the delivery of human services at the state and regional levels." Senate Joint Resolution 46 requested the Committee to examine specific reorganization such as placing the Adoptive Services Division and Corrections Division of the Department of Institutions in another department. The Committee considered both broad and specific reorganization.

#### Committee Discussion Draft

The Committee Discussion Draft was an attempt at a broad reorganization of human services. The central objective of the proposal was the creation of a well integrated, decentralized system. However, it was apparent from the response to the discussion draft that the concept of what exemplified an integrated system varied from one group to another. The Interim Committee concluded that the draft legislation reorganizing human services in Montana would not resolve the basic human service delivery problems in the state.

Since the Interim Committee had used the Committee Discussion Draft as a tool to give a clearer indication of human service problems, the committee, having accomplished this goal, decided to produce a series of bills to address the problems raised at the February 10th public hearing.

#### A Bill To Create A Human Services Oversight Committee

The fragmentation, frustration, and confusion observed by the Committee during its months of study led the Committee to propose legislation for a permanent legislative human services oversight committee. The oversight committee

would serve several functions. It would be given the authority to advise and consult with human service agencies; review proposed rules for human service agencies; conduct program reviews and evaluations; and make recommendations to the legislature for corrective action.

Several justifications were given for the creation of the oversight committee: (1) Appropriations for human service programs are extremely large, and since most of the complaints received by legislators concern human service programs the Interim Committee felt that there is a clear need for a committee to continually monitor human service activities.

(2) Since most legislators are mainly concerned with the human service problems in their own districts, the Committee felt that the oversight committee will provide a more comprehensive view of human service in Montana.

(3) The Interim Committee viewed the oversight committee a sounding board for the citizens of Montana. During their study the Interim Committee was beseiged with individuals and groups looking for a place to go with their problems. The people expressed the need for an impartial body to hear their complaints and then, if necessary, develop comprehensive legislation to address these complaints.

(4) The Interim Committee also felt that other oversight committees such as the revenue oversight and coal tax oversight committees have proven how useful oversight committees can be.

Thus the Committee recommended this bill to the 47th legislature.

#### Plan for One-Stop Service, Multipurpose Caseworker and Team Management, Co-location of Agencies, and Information and Referral Systems

Early in this research, the Interim Committee discussed the fact that the complexity of Montana's human services delivery system often confuses the client. Therefore, the Committee adopted a bill requesting that the Governor develop a plan to implement the concepts of one-stop service, multipurpose caseworker and team management, co-location of agencies, and information and referral systems. The objective of the plan would be a method to help the individual through the system by: (1) increasing the information concerning available services accessible to him; (2) providing him with knowledgable caseworkers; and (3) increasing the cooperation of human service agencies. Although the concepts would not be implemented for several years, the development of such a plan would allow the executive branch to initiate a redirection of present policy to facilitate



such implementation. The A.S.S.I.S.T. program, an information and referral system currently operating in Missoula, was identified by the Committee as an example of how well the concepts can work. The Committee felt that there was enough merit in such a system and in the other concepts contained in the bill to recommend this bill to the 1979 Legislature.

#### Bills to Reorganize Specific Functions

The Committee drafted several bills that provided for a reorganization of human service agencies. The first bill they considered was a bill to abolish the Department of Institutions, transferring health-related functions to the Department of Health and Environmental Sciences and all other functions to the Department of Social and Rehabilitation Services. The rationale for considering this bill was the feeling that the designation of one department to administer programs contained in big buildings was an outdated notion.

The fragmentation of services was also a consideration in the move to abolish the Department of Institutions. With the process of deinstitutionalization many problems have arisen in the efforts to coordinate institutional programs with community-based programs located in the Department of Social and Rehabilitation Services. In addition, there was concern expressed for the fragmentation of youth services between Institutions and SRS.

However, several members of the Committee contended that these problems would be compounded if the Department of Institutions were abolished and the functions moved to departments that were already too large. The Committee voted not to recommend this bill.

Since the Committee was still concerned about the problems of fragmentation and lack of coordination, they examined the possibility of transferring certain functions from one department to another. Two bills were drafted, one transferring youth services from the Department of Institutions to the Department of Social and Rehabilitation Services, the other transferring the division of the developmentally disabled from the Department of Social and Rehabilitation Services to the Department of Institutions. At a public hearing in August, the Committee received testimony indicating that the transfers would not resolve the fragmentation of services but could possibly further fragment these services. For example, the social services division of the Department of Social and Rehabilitation Services performs necessary services for developmentally disabled individuals. If DD were placed in the Department of Institutions, the coordination between these programs would be disrupted. The Committee decided not to recommend these bills.



### Bill For Cooperation

The most common theme in the Committee's survey of human services was the lack of coordination among human service agencies, especially among those that provide services to similar categories of clients. The Committee considered a bill to mandate human service agencies to identify areas of overlap and duplication and attempt to resolve these conflicts prior to the 1981 legislature. Several Committee members felt that the bill was asking administrators to do their duty, and they did not feel that it was the Committee's task to legislate morality. However, one member expressed the hope that the bill would direct the executive branch's attention to the problem. The Committee voted not to recommend this bill.

### Bill and Resolution to Reduce Human Service Central Office Staff

At the time the Committee considered the bill to abolish the Department of Institutions, concern was expressed about human service bureaucracies that appeared to be top heavy with administrators while services to the client seemed to be inadequate. In response to the problem the Committee drafted a bill to reduce central office administrative staff by 25%. Also, there was drafted a resolution from the Committee to the Governor requesting that the Governor reduce central office administrative staff prior to the 1979 legislative session. After receiving testimony at the August 7 public hearing and further reconsideration of the problem, the Committee decided not to recommend this bill for the following reasons: (1) the legislature has the power to reduce staff through the appropriations process and, although the Governor's plan to reduce staff could potentially aid in this process, there are many private or nonprofit providers of human service programs which would not fall under this plan; (2) it is difficult to define administrative staff, and many different definitions would probably emerge to justify the retention of present staff; (3) the governor's job freeze was already accomplishing the same goal; and (4) other legislative committees (i.e., Legislative Finance Committee) are in a better position to make such recommendations.

The Committee did recommend the resolution to reduce central office administrative staff for the following reasons:

(1) During the sixteen months of meetings and hearings the feeling that there is an overabundance of administrative staff was consistently expressed; and (2) unlike the bill which might be inappropriate in the future, the resolution is an immediate response to the situation as it is now.

## Bill to Change The Name of The Department of Institutions

The Committee considered a bill to change the name of the Department of Institutions to the Department of Community and Residential Services. Concern was expressed that the retention of the name "Department of Institutions" reflected an emphasis on custodial care facilities and big buildings. A change in the name of the department would demonstrate a change in the emphasis of the department - away from big buildings and towards a greater concern for people.

Other members of the Committee felt that the change in name would not change the public's conception of the department; thus the cost of changing the name was not warranted. The Committee voted not to recommend this bill.

## Other Areas of Concern

The February 10 public hearing on the Committee Discussion Draft opened up several areas of concern for the Committee:

- 1) Role of the private sector in the delivery of human services - The Committee discussed the potential for duplication between charitable nonprofit agencies and state supported nonprofit organizations. They requested the staff to research the role of the private sector (see appendix C), and they expressed concern that the private sector play an important role in the delivery of human services. No further action was taken in this matter.
- 2) Problem of accountability - Several members of the Committee were concerned about the increase in human service programs and the inability to really know the future requirements for these programs. A Committee member felt that the legislature should be able to look at a program and know the cost so that they would be able to fund future programs. The staff prepared a report on the problems related to setting up accountability systems (see appendix D). The Committee discussed the problem but took no further action on this matter.
- 3) Local Control - During the course of the study the Committee received a good deal of input from individuals at the local level concerning the lack of local control over human service problems. The Committee attempted to develop legislation to decentralize human service systems to the local level. However, the Committee found that the conception of the need for local control was extremely varied and difficult to define (see attached report). The Committee then requested the Montana Association of Counties to present specific legislative recommendations that would allow more local control in the delivery of human services. At the August 7 public hearing the Montana Association of Counties presented a bill to transfer greater control

and authority for mental health programs to units of local governance. At the final meeting on August 24, the Committee decided the bill had merit but it needed more time to study and work out the problems associated with such a transfer of control. Therefore, the Committee appointed a four-man subcommittee to look into developing legislation. The subcommittee is currently investigating this matter on its own time. It will present its finding to the Committee in November and final action will be taken at that time.

## II.

### HJR 95 Certificate of Need for Mental Health Facilities

At the February 9 meeting of the Interim Committee a report on the certificate of need outlined the present procedure for the state certificate of need program. Several mental health facilities are covered under the state certificate of need law and they are reviewed by the Department of Health and Environmental Sciences. The facilities that they review are those facilities which are licensed under the state licensing laws. The state certificate of need law is currently administered jointly with the Montana Health Systems, Inc. MHSA provides the first review at the local level. The statewide review is through the MHSA review committee. They then send their recommendations to the Director of the Department of Health and Environmental Sciences who ultimately makes the final decision.

Those mental health facilities which are not currently reviewed by the state, because they will be participating in an expenditure of federal funds, will be subject to review and approval by the State Health Coordinating Council under PL 93641 in cooperation with the Department of Health and Environmental Sciences and the Montana Health System Agency, Inc.

After some discussion of the need to update all certificate of need laws to conform to federal requirements, the Committee passed a motion to accept the Health Department's offer to project some legislation to satisfy the requirements of HJR 95.

## III.

### SJR 46 Advocacy and Appeals

Senate Joint Resolution 46 directed the Interim Committee to examine and to place in suitable groupings in order to eliminate overlap and duplicating the following boards and agencies: the Merit System Council; State Tax Appeal Board; Indian Affairs Unit; Volunteer Bureau of the Department



of Community Affairs; Office of Citizens' Advocate; Mental Health Advisory Council; Human Rights Division; Women's Bureau; Board of Personnel Appeals; Mental Disabilities; Board of Visitors; Developmental Disabilities Advisory Council; Consumer Affairs Division; Board of Institutions; Status of Women Advisory Council; State Coordinator of Indian Affairs; and the Patient Advocate. The Committee received a preliminary report concerning the makeup on the advocacy and appeals agencies. At their March 10 meeting the Committee rejected a motion for legislation to create a Department of Assistance, Advocacy and Appeals. Members of the Committee felt that the need to combine advocacy and appeals into one agency had not been demonstrated.

#### IV.

##### Other Recommendations by the Committee

At their final meeting the Committee received information that a federally funded University Affiliated Satellite Program would soon be begun in Montana. The goals of the program are: (1) the development of innovative programs for developmentally disabled and their families; (2) the training of individuals who work with the developmentally disabled; and (3) the providing of assistance for human service agencies.

The Committee felt that although the program may be worthwhile, the legislature may, in the future, be asked to fund the program, so they requested that the Commissioner of Higher Education submit the program for legislative review. The resolution passed at the meeting is as follows:

The Interim Committee on Human Services requests the Commissioner of Higher Education not to implement the University Affiliated Program until he has submitted the matter through normal channels that are utilized for creation of new programs that involve federal funds, including the finance committee.

#### V.

##### Final Conclusions of the Committee

The Interim Committee on Human services spent sixteen months studying the problems of reorganizing human services in Montana. Several members of the Committee concluded from this study that reorganization doesn't necessarily provide better service. Reorganization can mean more bureaucracy and expenses but without the guarantee of improved services. The Committee did observe that cutting back government cost while still maintaining adequate services

was an extremely difficult task. One member concluded that rather than cutting away at programs, it would make more sense to examine whole programs to see if they are justified.

The Committee felt that the study provided an important function as a sounding board for human service programs. The only regret expressed by the Committee was the lack of cooperation from the executive branch. The Committee felt that the executive branch missed a great opportunity to improve human services.

The bills at the end of this report contain the Committee's statutory recommendations to the 1979 Legislature.



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## The past, present, and future

# State departments of human services

(Editor's note: The following speech, entitled "The Evolution, Present Status, and Future of State Human-Resource Agencies," was presented by Dick Howard at the Western State Human-Resource Directors Conference last month in Olympia, Washington. Howard is currently director of the Council of State Governments' Innovations Transfer Program. In 1974-75, he participated in a CSG study of states' efforts to integrate human services. As part of that project, he examined the development of human-resource agencies in over 20 states.)

### By DICK HOWARD

I am pleased to talk about state departments of human resources (DHR's). What I plan to do first is review what has happened over the past decade leading up to where we are now and some of the things we have learned. With that done, I'll venture forth with some thoughts about what I think we should expect in the next decade.

It seems to me the time period of most importance to us for present purposes is from 1967 on. By 1967, incidentally, there were eight states with human-service structures that might fit a very loose definition of a human-service umbrella agency: Maine (1931), New Jersey (1948), Rhode Island (1951), Alaska (Statehood, 1959), Hawaii (Statehood, 1959), Pennsylvania (1958 perhaps), Nevada (1963), and New Hampshire (1963).

Following then, are the states

that reorganized human services in such a way as to reduce the number of autonomous, major human-service departments and move toward fewer, larger human-service departments.

There are 30 of them: 1967 — Wisconsin and Utah; 1968 — California, Colorado, Iowa; 1969 — Florida, Maryland, New Mexico and Wyoming; 1970 — Maryland (another H.R. agency), Delaware, Washington; 1971 — Arkansas, Massachusetts, Oregon, Vermont, Virginia; 1972 — Georgia, North Carolina (also in 1972 a proposal to merge the two, major human-service departments in Maine failed though a couple of years later Voc-Rehab was transferred to the Department of Health & Welfare and the name of the Department was changed to the Department of Human Resources); 1973 — Arizona, Kansas, Louisiana, Kentucky, South Dakota, 1974 — Idaho, Missouri; and 1977 — New Mexico, Hawaii, and Connecticut.

Throughout this period, another state, Oklahoma, was continually adding functions to its major human-service agency. The reasons are unique. I'm sure many are aware of that special situation — the envy of human-resource directors everywhere — if not I suspect the envy of students of legislature and representative government.

During this period, 1967-77, one state, Rhode Island, moved the other direction — dismantling the comprehensive agency that

had been established in 1951.

To my knowledge, six states are now in one stage or another of restructuring of the executive branch of human services: Minnesota, Montana, Tennessee, South Carolina, Mississippi and Illinois.

One should not be surprised that not all of these 30, reorganized, human-service departments remained structurally inviolate. At the risk of enumerating you into a deep slumber, let's take a look at the major changes that have occurred in these states since their human-resources agency was established. Incidentally, I don't contend that the Council of State Governments (CSG) knows about all the major changes though we did survey human-service agencies this past winter.

Delaware — Since the department was created in 1970 aging has been taken out of social services and given division status. A division of planning, review and evaluation has been created. A division of children and youth has been created, mental retardation has been separated from mental health and corrections was taken out of the department to become an independent department. Senate Bill 23 has been introduced that would create a department of health and a department of social services. The governor does not favor the bill but I don't know how far he will go in trying to keep the agency together. That the Delaware agency has been so unstable

in its seven years is less surprising when one realizes that during that time there have been seven secretaries.

Florida — After a lengthy struggle, the division of corrections was separated from the department of health and rehabilitative services. In a related move, the legislature restructured the agency in such a way that all human-resource services would be delivered and administered through two regions — or districts as they are called.

Georgia — Medical payments were removed from the DHR and given departmental status in order to give the DHR one less unpopular function. The first regional structure was significantly changed and the authority of "area network directors" reduced.

Iowa — Administrative changes were made to comply with federal directives and then in 1974 community programs were decentralized and delivered through regions under the responsibility of regional administration.

Kentucky — There was an internal reorganization which resulted in the decentralization of some of the administrative functions, i.e., back down to the operating program divisions.

Louisiana — Vocational rehabilitation was added to the department which also underwent a name change.

Maryland — The juvenile services were transferred to the department of health and mental

hygiene. Massachusetts — Phase II which was to bring about a major department of human services instead of a Virginia or California cabinet-style organization never came about. Also, almost as soon as the executive office of human services was created, elderly affairs was pulled out and became a cabinet office.

(Continued from page 1)

New Mexico — In 1969 there was created the Department of Health & Social Services and the Department of Hospitals and Institutions. The 1977 act created a department of health and environment and a department of human services.

North Carolina — Youth functions was transferred from corrections to the DHR

Vermont — the OEO and CETA functions have been added to the human-services agency.

Virginia — The authority of the cabinet secretary was increased (in all of the Virginia cabinets) and the juvenile and adult corrections were transferred out of the human-resources cabinet.

Washington — The Department of Social and Health Services backed away from its first regionalization scheme designed to promote services-integration. Veterans affairs has been transferred out of DSHS and although there have been several bills to remove corrections from the department, it has not yet happened.

Wisconsin — The division of family services is now the division of community services and mental health's substantial community programs have been transferred to it. The income-maintenance functions have been taken out of the new community services division and along with food stamps have been placed in a new division of economic assistance. Medicaid

was transferred from community services to a new division of health. The division of aging was abolished and those programs were transferred to a bureau within the division of family services. Finally, a division of policy and budget has been created. This substantial reorganization is aimed at the integration of the department's services and administration.

My remarks up to this point have suggested, if nothing else, that in a majority of states the structure of human-service functions have undergone major reorganization and major changes after that

The changes also indicate that in many states adult corrections is not compatible with health and welfare programs. And since offender rehabilitation is no longer in vogue, this incompatibility will be greater in the future

The implementation of a regional structure is also difficult. Overall, we see in these changes both additions to and subtractions from departments of human services. The changes represent movements toward a more integrated department in some states and a less integrated one in others. All of this certainly suggests no model human-service agency has emerged.

We see also, I believe, the overriding influence of political considerations over administrative/management considerations. This is reflected in the fact that in no less than 22 instances the reorganization of human services was a part of a major, executive reorganization effort in the state. This means

that in these instances at least, these human-resource agencies were part of the outcome of the give-and-take in the political arena and any consideration given to program-management concepts urged by HEW, schools of social work, CSG or anyone else, were distinctly secondary.

Why has this great surge of reorganizations occurred now? There were, after all, a great many more reorganization or little Hoover Commission studies in the 1940's and 1950's, but during these two decades there were very few instances of comprehensive reorganization of the executive branch of state governments. I think the answer is not particularly hard to find.

By the sixties, government and especially the federal government and a majority of Congress concluded that government's role should be greatly enlarged and lots more federal dollars should be directed to the solution of social problems. The states would be responsible for the operation of the actual programs.

Duplication seemed to be everywhere. Every new program, or so it would seem, had been placed in a new, autonomous unit with its own advisory board, its own earmarked funds or its own fee collections or its own source of federal funds. In numerous instances there were 200-plus or even 300-plus separate departments, boards, commissions, and

independent agencies. Obviously, if there was to be any control over state government, if the demand for new programs was to be met — and assuming a limit on resources — then something had to be done. Common sense, and as it turned out, political sense, dictated that the fragmented and costly form government had taken in most states, be addressed. Almost any course of action would be an improvement over the existing mish-mash.

Quite simply, executive reorganization has been so prevalent in the last eight or nine years because it has been good politics. Good politics for governors and good politics for legislators. Reorganization is both dramatic and highly visible — proof that something is being done. Other elected officials and candidates for office were quick to spot an issue that could easily and legitimately be exploited. Reorganization is still good politics. No less than 16 governors alluded to some sort of executive reorganization in their 1977 state-of-the-state speeches.

The reorganization goals of individual participants ran the gamut — accountability, elimination of waste and duplication, an opportunity to get rid of a certain agency head, better service delivery, reduced costs, coordination, more federal dollars, elimination of functions, more state dollars in the district — you name it, reorganization was seen by many as the panacea for a range of problems. Therein, of course, lies a problem, and one of the reasons

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so many DHR's have been substantially modified since they were originally created and why still others are under considerable fire from their legislature. Many people had unrealistic expectations for a reorganized state government. Indeed many of the expectations were mutually exclusive. Such things as fraud and abuse, better service delivery, cost savings, federal-funding problems and regulation problems are not directly related to structure.

On the other hand human-service umbrellas have shown that there are a number of very desirable objectives they can accomplish. They can maximize federal dollars and greatly enhance their rational allocation throughout the department. DHRs can, in fact, give governors a single health and welfare Czar to whom he or she can turn for advice and administration in an area in which the governor is probably unsure of himself or herself. DHRs probably do afford elected officials somewhat better control of burgeoning social programs. DHRs can certainly facilitate improved coordination among top-level program decisionmakers and can minimize duplication of efforts, both programmatic and in support services such as planning, budgeting, accounting, personnel, public information. Capital facilities, planning, better and more flexible use of state facilities are other areas where these large organizations can and have been beneficial. In fact, DHRs probably do hold costs down in the long run.

It is, however, in the area of program delivery where the most questions remain and where legislators quite properly voice the most concern. What is often forgotten, of course, is that many of the program-delivery problems that are attributed to the new "monster agency" are problems that existed before reorganization and the creation of the new department. Reorganization does not make bad managers good managers; it does not make incompetent or unconcerned program service-deliverers competent or concerned. Nor does

it make ill-conceived federally mandated programs better conceived, or inflexible rule flexible.

Any discussion of program delivery leads me to some observations about services integration.

In most states the programs that most legislators are going to want delivered most efficiently and effectively are the more traditional program services, the ones that they understand, can relate to such as mental health, employment services, mental retardation, vocational rehabilitation and other services to the handicapped as well as services to veterans, the blind, crippled children, maybe some public health programs and perhaps certainly highly visible programs for the aging. Of course, one

of the reasons that legislators are familiar with these programs is because there are, in most states, well organized groups constantly pressuring legislators for more resources allocated to their constituents. There are groups who are quick to respond to the first reduction in services, changes in services, etc. Sometimes, of course, these are groups of state employees who work in a large institution in the legislator's district. My impression is that as far as many social services are concerned — and these traditionally have been services provided to the poor — legislators' awareness is limited.

Therefore, legislators are going to judge DHRs on the basis of their perceptions of how DHRs deliver services to individuals with the clearly "diagnosable" problems that the legislators and the general public understand. And these per-

ceptions are going to be based in individual, constituent complaints and the opinions of interest groups and local officials. If what I have said about services and legislators is true, where does that leave services integration?

Services integration may be a goal of dubious value considering the costs, its difficulty to measure, and its political payoff, all of which are closely related. Let's look at these problems a little closer.

The deductive reasoning behind the proposition of treating the whole person or the client family is certainly compelling. However, the dollar cost of comprehensive, systematic services integration could be enormous. The number of linkages that must be established between providers and within the same and different levels of government and non-government is considerable. And, of course, this assumes that the service workers themselves understand and are anxious to develop these linkages which they may perceive as leading them away from specialization and into a more generalist mold. There are other obstacles such as confidentiality of client data and HEW employees' continuing pursuit of categorical program goals. In a word, the dollars needed to develop necessary linkages and at the same time overcome employee opposition would be quite large.

The second problem I've mentioned is measuring or evaluating the success of services integration. If it is presumed that this multiple-problem client can be effectively helped, what is the mix of treatments and services that will optimize his likelihood of self-maintenance? Is self-maintenance the goal? Are you, in fact, ever likely to have a definitive answer to the "service mix" question — an answer that can be applied to all individuals who fall into the same problem classification as the first client. I doubt it. And of course, how do you know if the next person really fits into the class? You don't. I am suggesting that if a multiple-problem client's situation can be substantially improved — and I have serious doubts — then how do you measure what input

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**"Service integration may be a goal of dubious value considering the costs, its difficulty to measure, and its political payoff, all of which are closely related."**

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was required and what output was gained? On the other hand, if the multiple-problem client cannot really be helped to live on his or her own in society, then perhaps society can only afford to provide those resources that will simply maintain this person in the least discomfort. Let's examine Vocational Rehabilitation's alleged skimming of clients. Precisely because VR can readily identify and document its successes in terms Congressmen understand is the reason it is funded well and allowed to maintain considerable autonomy at the federal level. Integrated services, I don't think can ever hope to acquire this marriage between expectation, results and legislative understanding, which leads to the third problem: the political payoff. I have already suggested that legislators (and certainly the general public) are not going to understand and identify with the concept of services integration. Combine the lack of understanding with an inability to show much success (or anything else) as a result of expenditures directed toward this goal and it seems to me legislators are going to be amenable to structural changes that result in more of the services to clients that they understand. There aren't many legislative points to be made in services integration. To me, it seems like a perilous course to pursue on a systematic, statewide basis.

I should mention the structure and direction being taken by one state that could greatly change the nature of the political environment and thus the possibility of effective delivery of integrated services in some places. I am speaking of Florida's Department of Health and Rehabilitative Services, an agency which has certainly had its problems since it was established in 1969 and reorganized in 1975.

Florida legislators, service deliverers, and program administrators can all agree that they want the Department of Health and Rehabilitative Services to respond adequately to clients' needs and further that services are most responsive to client needs when they are provided by a level of government that is close to the clients. Acting on this belief, the Florida legislature, contrary to the desires of program division directors, mandated 11 districts for use by the department. By statute, each of these 11 districts has a district administrator who is responsible for

the delivery of all of the DHR's programs in that district. Through channels, all of the employees in each district — staff and line —

report to the district administrators. It seems to me if there is going to be a successful delivery of integrated services it is going to have to evolve through voluntary experiments in regions. Only in decentralized structures such as Florida's districts is there likely to be the flexibility that would be conducive to the sort of experimentation that would lead to successful services integration — and then only in isolated instances.

As for the future of DHRs one can safely say that the next 10 years will be less in this direction than in the past 10 — after all there are only 50 states. The results of human resource departments to date are too mixed to overcome the very strong resistance of constituent groups in the large, industrial states. So, I wouldn't expect New York, Illinois, Ohio, Pennsylvania, or Michigan to move to a comprehensive human-resources agency. On the other hand, there may be some southern states that move to consolidate human-services function into two or maybe three departments. I would not anticipate states creating one agency that encompasses nearly all of the human-services such as Delaware, Florida, and Oregon have done.

Nor do I expect that there will be a wholesale dismantling of existing umbrella agencies. For the most part, governors find these organizations useful especially when their expectations are in line with the DHR's capabilities. As indicated, they provide the governor with an overall view of the human-services situation and provide him with much greater control over programs and policies and can also permit the governor a better handle on state and federal health-and-welfare dollars. In fact, within the last year or so governors of Georgia, Kentucky, Delaware,

Florida, Washington, and Louisiana, to my knowledge, have been faced with the direct issue of dismantling the DHR. The Georgia, Kentucky, Louisiana, and Florida governors chose not to. The jury is still out in Washington and I suppose Delaware. But I would seriously doubt that either of these two states will return to the numerous agencies that existed prior to reorganization. However, at the same time, I doubt that most governors would go to the mat to save a DHR.

What I am saying is that the same factors that have existed in the recent past will continue to exist and the outcome on DHRs will be a continuation of present trends. These factors, it seems to me, can be summarized as follows:

1. Elected officials will continue

to count re-election as one of their major goals and therefore will oil the wheels that squeak loudest.

2. Legislators and governors are not likely to be drawn from the ranks of managers, thus their interest and knowledge of managing large organizations will not be great, the same might be said of DHR directors.

3. Inflation apparently will continue; resources will be limited and efficiency and economy will continue to be desirable and generally salient political issues;

4. The federal government will devise new programs and federal constraints will continue to be a major deterrent to integrated administration and good management. Moreover, HEW will probably continue to be insensitive to the management concerns and

political problems of comprehensive human-service agencies;

5. Evaluation, that is, measuring the success of integrated program delivery, is likely to continue to be too obtuse for most legislators and the general public, and therefore services integration is not likely to be an important consideration in the organization or disorganization of DHRs.

Welfare reform at the federal level might introduce different factors, but not necessarily — depending on what happens to social services. And certainly, there is not going to be developed a department of human resources model organization which would gain the acceptance of all or most states.



# REORGANIZATION OF HUMAN SERVICES PROGRAMS\*

State	Agency	Reorganization date (a)	Programs (b)								
			PA	SS	H	MH	MR	Corr.	YI	VR	ES
Alabama	Dept. of Pensions & Security		★								
Alaska	Dept. of Health & Social Services	1959	★		★	★	★	★			
Arizona	Dept. of Economic Security	1973	★				★		★	★	
Arkansas	Dept. of Social & Rehabilitative Services	1970	★			★			★		
California	Health & Welfare Agency	1968	★		★	★	★	★	★	★	
Colorado	Dept. of Social Services		★							★	
Connecticut	Dept. of Social Services		★	(c)							
Delaware	Dept. of Health & Social Services	1969	★	★	★	★	★	★			
Florida	Dept. of Health & Rehabilitative Services	1975	★	★	★	★		★	★		
Georgia	Dept. of Human Resources	1972	★		★	★			★		
Hawaii	Dept. of Social Services & Housing	1959	★					★		★	
Idaho	Dept. of Health & Welfare	1973	★	★		★	★		★		
Illinois	Dept. of Public Aid		★	(d)							
Indiana	Dept. of Public Welfare		★						★		
Iowa	Dept. of Social Services	1967	★			★	★	★			
Kansas	Dept. of Social & Rehabilitation Services		★			★			★		
Kentucky	Dept. for Human Resources	1972	★	★	★	★	★		★	★	
Louisiana	Health & Human Resources Administration	1972	★	★	★	★					
Maine	Dept. of Human Services	1931	★	★					★		
Maryland	Dept. of Employment & Social Services	1970	★							★	
Massachusetts	Executive Office of Human Services	1971	★	★		★	★	★	★		
Michigan	Dept. of Social Services	1965	★						★		
Minnesota	Dept. of Public Welfare	1939	★			★	★				
Mississippi	Dept. of Public Welfare		★								
Missouri	Dept. of Social Services	1974	★	★				★	★		
Montana	Dept. of Social & Rehabilitation Services	1972	★							★	
Nebraska	Dept. of Public Welfare		★								
Nevada	Dept. of Human Resources	1963	★	★		★			★	★	
New Hampshire	Dept. of Health & Welfare	1961	★	★		★					
New Jersey	Dept. of Institutions & Agencies	1948	★			★	★				
New Mexico	Health & Social Services Dept.	1969	★	★		★	★			★	
New York	Dept. of Social Services		★								
North Carolina	Dept. of Human Resources	1971	★	★		★				★	
North Dakota	Social Services Board	1973	★							★	
Ohio	Dept. of Public Welfare		★								
Oklahoma	Dept. of Institutions, Social & Rehabilitative Services		★				★		★		
Oregon	Dept. of Human Resources	1971	★	★		★		★	★	★	
Pennsylvania	Dept. of Public Welfare	1958	★			★					
Rhode Island	Dept. of Social & Rehabilitative Services	1972	★							★	
South Carolina	Dept. of Social Services		★								
South Dakota	Dept. of Social Services	1972	★			★	★	★		★	
Tennessee	Dept. of Human Services		★								
Texas	Dept. of Public Welfare		★								
Utah	Dept. of Social Services	1969	★	★		★	★	★	★		
Vermont	Agency of Human Services	1970	★	★		★	★	★	★		
Virginia	Office of Human Affairs	1972	★	★		★	★		★		
Washington	Dept. of Social & Health Services	1970	★	★		★		★	★	★	
West Virginia	Dept. of Welfare		★								
Wisconsin	Dept. of Health & Social Services	1967	★	★		★	★	★	★		
Wyoming	Dept. of Health & Social Services	1969	★	★		★				★	

\*Source: The Council of State Governments' Project on Human Services Integration, 1975.

(a) Although some of the agencies may have changed their names since the reorganization date listed, the programs covered have remained essentially the same.

(b) Symbols: PA & SS—Public Assistance and Social Services (includes medical assistance); H—Health; MH—Mental Health;

MR—Mental Retardation; Corr.—Corrections; YI—Youth Institutions; VR—Vocational Rehabilitation; ES—Employment Security.

(c) Social services for children are administered by the Dept. of Children and Youth Services.

(d) Social services are administered by the Dept. of Children and Family Services.

Source: The Book of The States, 1976-1977. Lexington, ky.: The Council of State Governments, 1976, p. 385.



Comments of Three Out-of-State Legislators  
On The Reorganization of Human Services In  
Their States  
October 7, 1977

Chairman Brand introduced the three guests who would each speak on human services in their states, after which the committee would ask questions. The guests included Vera Katz, Oregon House of Representatives, Chairman of House Ways and Means Committee, who previously served on the Social Services Committee; Senator Ezra T. Clark, former Utah senator, now President of the Davis County Bank, was involved in the reorganization of the Utah system; and Senator Mike Mitchell, Idaho Senator, who has been active in the human services field in Idaho, and played a large role in the reorganization of that state's human services system.

Representative Katz thanked the committee for the opportunity to visit Montana, and for the opportunity to comprehend in a larger scope some of the problems that they have had in the past years with the reorganization of the Department of Human Resources.

I want to touch two issues, Rep. Katz stated. One, why we reorganized in 1971, and the problems, advantages, and disadvantages as I see them as a legislator, and then deal briefly with deinstitutionalization.

Oregon developed a Department of Human Resources in 1971, for probably the very same reasons that most states are looking at reorganization. There was a dissatisfaction among legislators specifically in program delivery system, or non-system. The dissatisfaction arose because of the pressure groups, especially with the developmentally disability forces, on legislators, and legislators began to judge the delivery system only on those terms as viewed by the pressure groups. The

pressure groups were very instrumental in making the changes. Two, there was a lack of responsibility for the coordination of all these separate agencies that we had prior to 1971. There were too many heads of agencies reporting to the governor; the governor's staff was limited. There was no one accountable, and there was no unified policy.

To give a couple examples, it was evident in 1969 and 1970 that drug abuse in Oregon was increasing, and the natural response to that was we need more staff. There was nobody responsible to look at it in terms of a larger frame of reference - the possibility of developing prevention programs. Of course, what agency would be responsible for those programs was asked. Or, who was responsible for the rehabilitation of employable welfare recipients. Is it to be the employment agency? welfare? or childrens services division, since day-care was an important component in this. With all these separate agencies, in fact there was no one responsible. The objectives were those that I am sure you have discussed yourselves. The elimination of duplication. In Oregon we tried to do that by having a specialized accounting and data processing system, budget personnel, and management analysis. We were told that part of the duplication would be eliminated if we were able to centralize all these activities in the office of the director. With the exception of accounting and data processing, everything else unfortunately stayed decentralized, and still does. There was basically a political problem - a problem of turf. The division heads, if they thought they would lose the ability to make up their own budgets, or hire and fire personnel, felt they would lose control of their division. Consequently we are moving very slowly in that area, and accounting and data processing is probably the only thing that we can say has been almost 100% centralized.

In 1971, we merged seven divisions into an umbrella agency, but with the direction of the legislature that those seven divisions would be autonomous. In 1973, we strengthened the staff of the director so that he would have the ability to deal with housing; to some extent with personnel; and with computer services. It wasn't until 1977, this session, six years later, that we made some major changes that I would like to describe to you later.

The second objective for Oregon was a better service delivery. Those same problems exist today even with an umbrella agency. Those problems did not really alter - you can't make bad managers into good managers by reorganizing state government, and it is basically a personnel problem. If those bad managers are still in charge of their division, the delivery system is still going to suffer.

Another objective was the reduction of costs, and here I would say I felt we were lied to, and these are some of the problems I feel we are going to have to deal with. There is no reduction in costs, and don't let anybody fool you by saying that putting in an umbrella agency will reduce costs. You can argue, and rightfully so, that an umbrella agency can absorb cuts much better, because there is some flexibility to absorb them, and so if the federal government decides to discontinue a program, and you decide not to substitute your general fund dollars for it, an umbrella agency can make the shifts in dollars a little easier.



One of the other goals was coordination. It was quite apparent that single agencies could not deal with clients that had multiple problems. I heard this morning the problems of referrals, and what happens is you lose them, you lose the clients and they fall through the cracks. An umbrella agency, with the right personnel and the right team approach that was mentioned this morning, was at least able to coordinate the services. In fact, we have two multi-service centers in our state under one roof that provide that kind of coordination.

Another goal was to maximize the federal dollars, and I think we did that through the multi-service centers. We certainly did it through the WIN program where we have a joint program for employable welfare recipients, with the employment division, childrens' services, and welfare working together. We also decentralized, and established regional offices. We made one mistake; we decided one way to coordinate the regional offices would be to hire coordinators, and that was a failure. The coordinators are no longer in the budget, and the director of the department of human resources now has developed a team approach among all the people representing the different divisions. That is beginning to work.

One of the important factors that needs to be kept in mind was that you need to clearly define your objectives as to what your goals are going to be. To be honest with the agency - certainly, to be honest with the legislators, and to move slowly. What we failed to do as a legislature, and we can only look at it now, six years later - is that we failed to give the director of the umbrella agency authority to deal with the separate divisions. The director was established to be a coordinator, and without the authority to shift money, to shift personnel, he was left out on the limb, and the coordination did not occur. We never really resolved duplication of services in a couple of areas. For example, if childrens services division is in mental health, who is going to be responsible for children with mental health problems? The childrens services division had money for some programs - mental health had money for some others - they never talked to one another. Giving the director the authority that we have in 1973, there are contracts now being developed between childrens services and mental health so that the money comes from childrens services - the care and planning comes from mental health.

The same thing with sheltered homes and group home care for mentally retarded and mentally ill. How are you going to coordinate that so some of us sitting on Ways and Means can tell where the money was coming from so we could see the whole picture as to how much sheltered workshops, or activity centers, or group homes, costs, when some of the money was funded out of mental health; and some out of welfare. We are beginning to coordinate that so that the budget item at least is in one place and you can tell how much more expensive, or what the reduction in costs would be, in a group home, versus institutionalization.

One of the problems, at least with deinstitutionalization, and to some extent for the umbrella agency, is that we never developed a strategy for change. There was never a clear plan developed as to how we were going to meet these objectives. We may have moved a little too quickly; we may have moved without really planning for the clients, and we are only beginning now, six years later, to get a handle on this.



This session, we allowed the director to transfer personnel from one division to another without going to the emergency board, which is the interim board. We gave him some authority to restructure the divisional units by administrative action, so he had the flexibility of taking two programs in two divisions, and combining them in one agency. We gave the director responsibility for rule-making authority. What had happened before that, every agency was making their own rules and sometimes they were contradictory; sometimes we had agency heads that did not interpret the intent of the legislation quite accurately and went far beyond the intent of the legislation, and the director was not able to control that agency head as far as rule making authority; he is now totally responsible.

Because we have given the director moral support, which is very important - support by the legislature, governor, and executive branch -- what is happening now is that the director has the ability to go to Washington, D.C., and start asking the federal government to waive some requirements that are creating barriers - Medicaid financing, for example, so that he can move the money around a lot better than he has the authority to do now.

Deinstitutionalization occurred in the 1950's and 1960's because the federal dollar was going into the nursing homes, and would pay a portion of the nursing homes for welfare clients, but wouldn't pay for their care in mental hospitals. Consequently, the motive for deinstitutionalization wasn't "that's the right thing to do," it was "that's where the federal dollar is going, and we are going to follow the federal dollar." There was no cooperation between agencies; mental health was pushing them out; the community mental health clinics were not properly staffed; the administrators in institutions were screaming they were losing their patients and consequently losing some money and some power. There was no evaluation of what the clients' needs were and how the client was to receive them in the community. That is slowly beginning to change because we are finally developing, again, a strategy for change.

The pressure groups were primarily for the mentally retarded. We are only beginning to see today the development of pressure groups for the mentally ill. I will predict right now that the amount of money that is being spent for mentally retarded will be tripled for mentally ill because there is a greater population out there that has those problems. But the pressure groups are beginning to get organized. The lobby for the blind is very heavy, and the political trade-off for the umbrella agency was to take the blind commission and separate them completely from the department of human resources, and have them right under the governor. With that compromise, the umbrella agency was possible.

Cuts in the budgets of the institutions have not been made, even with deinstitutionalization. Don't let anybody sell you a bill of goods that it is going to be cheaper. In terms of the dollar immediately, it looks like it is cheaper to keep somebody in a group home. You ought not to judge them by the dollar amount - you should judge by whether it is something you want to do as a social policy. Because

there are fixed costs for somebody in an institution - for example, if there is somebody in an institution it probably costs \$1,000 a month, but by moving one person out, you may only save \$100 per month because there are a certain number of beds, staffing patterns, and if you have high staffing patterns as we do in Oregon, you don't really realize the cuts. What you really do is fund another program. The shift is not realized. Deinstitutionalization started to cost relatively little, and then legislation was passed demanding standards and licensing, certification of group homes, training components in group homes, group home coordinators, and what we saw last session in Ways and Means I thought at the time was outrageous and I think it was meant to be outrageous - it was a presentation to us for a group home staffing pattern that created a mini-institution. We made the hard decision not to accept the recommendations that were developed by the mental health division and to cut the staffing pattern and monitor it. But if I could see along the road somewhere that if you are not careful, you could develop a staffing pattern that would in fact have mini-institutions in the community. That's the fiscal approach.

Philosophically I support deinstitutionalization, but not if it is sold to you as costing less. It doesn't. In fact, in the long run it could cost a lot more money if you provide the right care for the clients. The right care consists of coordination and a team approach. Before the client leaves the institution what is available to that client in the community in the way of community mental health, private groups, sheltered workshops, activity centers, group homes situation with training, independent apartment house living conditions, and somebody knowing exactly what the client needs in the way of medication, makes sure he gets that medication; what types of vocational opportunities are in the community, and a follow-up system - very difficult to achieve and costly, but absolutely necessary if deinstitutionalization is going to work and if you are going to eliminate some of the problems I heard this morning.

One of the problems in Oregon is that most of our institutions are in one county, and consequently with deinstitutionalization, the group homes were in that county, too. The legislators from some counties were complaining that we had all the clients living in that area, and perhaps we should look at distributing services in some rational way. You know how politics works - if somebody on Ways and Means has a little clout and they want a group home in their area, they usually get it whether they need it or not, and the distribution never really followed the need. A bill was passed to look at where the clients came from and made sure that those communities where the client originated got some assistance so the client could go back to that community. We just started that and I don't know how it is going to work. We have 6,700 community facilities for mentally ill, mentally retarded, correction clients, alcohol and drug, foster home placement for children, and for adults.

Senator Ezra Clark spoke next. I suppose the thing that brought the social service thing to the forefront on the state level was the funding impetus of Johnson's "Great Society." I think perhaps in his administration there were more social programs originated and more dollars spent than in any other time. It was kind of "the wind of the future" so to speak, and I think these grants coming to the



states caused some of the problems that we are trying to solve at the present time.

In our state, there was a lay committee formed by the legislature to reorganize the total state government. It was headed by a very able man in the business community, and we in Utah called it the Little Hoover Commission. They did about a two year study and came up with some very comprehensive reorganization for all areas of state government. I was involved in the social services area, and it was pretty comprehensive there, and I am sure it was in the other areas of state government, too.

In Utah, we had about 160 different commissions, committees, departments, and we reorganized them in two sessions of the legislature into seven. I think it has been reasonably successful in our state. The only ones you could not include in that were the statutory commissions, like the state tax commission, etc., that were not affected by the reorganization.

Whenever you effect a reorganization and consolidation, you talk to the people who administer the programs, and staff people will tell you it is a great thing, BUT - and the "but" is always that "our department is a little different than anybody's - they should be consolidated, but we should not." Without exception, you will find that, and that is human nature. Everybody talks well when it comes to coordination, but as Ms. Katz said, coordination is the thing that never happens unless you force it, and it is painful to force, sometimes.

When we set up our social services department, we were fortunate enough to have the governor appoint a director that was a very strong individual and he knocked a few heads together, and because of his leadership and stature, it worked pretty well. He was a former state senator; had been in state government for many years; and was an outstanding businessman in his own right and was a pretty savvy guy - you could look him in the eye and swear at him, and he would smile, and say "I'm glad to know your feelings," and then do as he damn pleased! And he had the backing of the governor and the know-how to know when he was wrong and when he was right, and I believe that if Utah has achieved any success in the social services area, it's to be attributed to the strength and wisdom of this one person.

We divided our social services, which have at the present time over 3,000 employees, into seven divisions. Over each division, there is a lay board or council. I think if our organizational chart in Utah has any weaknesses, it would be these councils, because quite often people in the department go by the director of the department and go to the lay council members and give a distorted picture and it causes the director a lot of problems. It is pretty hard to give these councils much more than directive authority. A good definition is that these people sit as a board of directors of a corporation, directing the director, but they don't own any stock and are largely political appointees, and sometimes you get some slanted views. There is a great benefit that can come from lay council members, but it takes a wise and discerning person to know where their authority lies and to not get involved in active management of the department.

We divided our social services into the following seven divisions: the big one is the family services, which includes all the social workers - they are directly responsible for the state training schools which is the school for emotionally and mentally disturbed people, and the state industrial school - it has a new name, but is actually the reform school. The training school will tell you they deinstitutionalized, but they have as many patients as they have ever had. They put some of their clients in the community, and their ratio of employees to clients in the school is about 1/1. It is a very expensive operation, and I would agree with Ms. Katz that if you deinstitutionalize, you won't save any money. People might get better and more personal care.

The second division is the division of mental health. The institution under their control is the state mental hospital. That institution has cut their population from about 1200 - 1300 to around 300, but you haven't lowered their budget any. People there are getting better care, and I suspect a lot of people have been put out from that institution into nursing homes, and that is how they deinstitutionalized it, and hopefully the patients are getting better care. The people do go where the flow of federal dollars goes. That is the name of the game.

The next division is that of corrections, and the prison and probation system is under that. Our state prison about ten years ago had about 800 inmates. About five years ago it was down to less than 600. We have two or three judges in Utah who take a case under advisement and send suspected felons, before sentencing, to the prison for a 90-day evaluation. This has increased our prison population by 50% in the last year. Our industrial school has the same problem. Probably one-fourth of the young people in the industrial school are there for psychiatric treatment or evaluation by decree from the juvenile courts. I'm not saying it is wrong, but it is a tough thing to budget, and puts a real strain on the administrators of those institutions.

The division of health is probably one of the biggest divisions in social services.

We have the division of aging, which is relatively new. They are rather low key, but have a pretty good budget, and lots of people working for them.

The biggest bug-a-boo that I've ever gotten into was the alcohol and drugs. About every social program in state government wants to deal with the drug program, and at one time within these seven divisions, I counted more than a dozen drug programs. The reason for their involvement was they had access to federal dollars in some kind of grant or study. I think you have done a good job of containing that. We used to have a different division for both alcoholism and drugs, but we combined it about four years ago; by and large, it is working well. The personality of the director and the personalities of the people in the program are the reason for the success or failure of the division, not the dollars. If you have strong, competent, dedicated people to run these programs, you might not always agree with them, but you don't want to trade them for weak ones. They make or break a program.



The seventh division is the division of Indian Affairs. In the state of Utah, we budget two employees for that. The reason is that the director of that division in Utah is an Indian; his board consists of seven people, and five out of the seven are Indian. They do a hell of a job. They have a lot of trust money that came through oil exploration on the Navajo Reservation, and they administer a multi-million dollar trust fund, and do a great job. I think they have done more to help their people than all the laws and all the do-gooders in the country. Just give them the support, and let them go their way, and it works. Utah is fortunate - maybe all states don't have the trust fund that the Indians can administer for their own benefit.

There are several public entitlement divisions, not in any of the divisions, but under the department director, and they run the food stamp program, quality control of the different areas of social services - the medical services; the financial end and paying end of assistance payments and recovery services. In Utah we recover \$4-\$5 million per year by making fathers that abandon their families pay - we spend a little money and go after them, and it has paid off for us. It costs a little money to set up, but we have these people on the computer, and follow them pretty closely. It is surprising if people have to, how much they can do.

Two years ago we set up the office of veterans' affairs which is mostly a positive attitude organization to try to help the veterans out, because they have lots of funding in their own right. We help them in any way we can.

I heard in the last part of this morning's discussion about how many services should be in one area so clients could go in one place and get help. We ran an experimental program, starting about six years ago in Cedar City, which is probably the most rural area of our state, comprised of 5 counties consisting of about 1/3 of the ground area and 1/15th of the population. It was set up with the cooperation of the communities, the counties, school districts, and the state. The state furnished most of the money. The counties put in a token amount and elected the people to the board that administers it. We thought they had something workable, but have had some change of county commissioners, and a new elected official often doesn't want to do what his predecessor did, so we have had one or two of the major counties pull out of this. The ones pulling out happened to be where the place is located, so they participate whether they are included or not, and I suspect there is political feeling there. The feeling behind it is good, and if you can get over the personalities, I think it is a viable, and workable, concept.

Senator Mike Mitchell, Idaho, was the next speaker. I am on the Senate Finance Committee which appropriates for state agencies. I am also on Health, Education and Welfare in the Senate, which of course keeps me close to the agency we are talking about.

I think we all have similar types of problems. I would like to tell you why Idaho combined its agencies and to tell you that we really were combining health, welfare and environmental services. I have a sheet here that shows the breakdown which I will have printed and give to you. We established an agency that had seven

major programs, 13 minor programs and eight elements of those programs. The reason why this is done I will speak to a little bit later regarding the budget.

At the time that the reorganization or consolidation started, we had the health department under the control primarily of its director. There was a health board, but the health board was nonproductive. The welfare department, on the other hand, was also under the control of one person. All the knowledge of that department, and he was a very knowledgeable man, was in his head, and no one else shared in the knowledge of that department. This bothered me a great deal, and so I took it upon myself at that early stage to challenge at least the Department of Health. After an intensive campaign, the director resigned and all the board members resigned, and the governor then changed about that time, and reorganization was one of his campaigns. We were able to get them together because the right people were not in place, or the right people, on the other hand, were. We didn't have the stumbling block that Senator Clark spoke of: "Consolidation is fine, but leave our agency alone." The people who would make that protest were not present so we probably avoided some of the traumatic experiences you might be going through right now.

In developing the agency, the consolidated group, we in Idaho, like Montana, have the geographical problem. For some reason or another there has been a Maginot Line written through the middle of our state and the northern counties have great difficulty sometimes receiving the same service as that of the southern counties. This becomes somewhat of a battle. So we involved in our reorganization the regional concept and established seven regions within the state.

In establishing the regions, in my opinion, it is the key to establishing within those regions some powers. Do not let the powers remain in the central office. If you do, you will continue to operate the same way you are operating now, and you are no closer to delivering the services that might be uniquely needed in one region as opposed to another. In the beginning, most of our regional directors came from the Department of Public Assistance and they had been under the directorship of the gentleman who had instilled in them a great aggressive attitude. At the time we made the change, the governor hired a new director for this reorganized department and he came from the federal government, and in that area there had been consolidation of HEW. He inherited the situation of strong regional administrators so he turned to them, and for the first part of our new agency the regional voice is very strong because that was his greatest source of information on what had been going on in the past. It didn't take long for the central office boys to get together to organize their forces to begin to shift back. This is something you want to watch for -- you decide how you want it to be, either a central office that is offering some guidelines and then allowing the regions to implement the guidelines with the central auditing the system to determine exactly whether those goals are being reached. Watch carefully that this doesn't shift from



regions to central. That shift I think has been harmful to our state because we had all the bodies out in the regions and we were getting the central office down a bit, and then when they started to come up we haven't been able to reduce the quantity of the employees in the regional areas, so we have too many employees.

One of the things that is a problem as you go through it is that the legislature does not really understand what is going on in this new agency. One of the problem we had in Idaho for the first few years of our budget -- and we meet annually so we have annual budgets on the departments -- the format which we looked at in the budgeting process kept changing. If you wanted to track administration or management, you had no back history to refer to. They would say, "We have now reorganized this department and you will find it under programs 2, 3, and 4." I don't know how much time you have to study your budgets, but I don't have that kind of staff to assist me and I don't have that kind of time. Finally, the last two or three years, under our present governor and his budget committee, we have got them to establish the seven major programs, 13 minor programs approach and now we can compare apples with apples. We can establish goals. You've got to do this. Whatever you develop, the legislature has got to have ongoing accountability.

Senator Towe observed that Senator Clark and Representative Katz referred to the need to give the director more authority so they can cut through some of the problems that develop in the autonomies that existed, and then Senator Mitchell says that, if anything, they need less authority and there is already a move afoot to divide the departments. What advice could you give us in that regard?

Senator Clark replied that somebody has to be accountable. Find the best man you can to head your department and then slap him on the knuckles if he doesn't produce. In business that's the way we do it. Pretty soon he isn't there. I think a good deal of it is whether you are responding to a rural concept or an urban concept; there's quite a difference. I think you will find that in the rural areas we don't have as much problem as we do in the urban areas in defining and getting accountability.

Senator Towe said what he is really trying to get at is what about the big, monster department, too large an organization to really have a viable control over? There is a great deal of fear about a growing bureaucracy that can't be managed.

Senator Clark felt that due to the size of Montana, population-wise, we didn't need to worry about that.

Representative Katz also felt that you need somebody who is accountable and somebody who is going to make it work. If he or she is not doing it, then you have a good reason to complain but you have to give them the opportunity to do it. As far as the regionalization, what I heard was the need for regionalization and for a team approach in the region, for a close relationship between the central office and the regional team, but the people representing each of the divisions work closely together. I think it is working well in Oregon because the director has gone out into the field and has

built a rapport with the regional teams and has listened to middle management and lower management and the problems that they are having. I would like to add that there are some legislators that are considering moving three divisions out of the umbrella agency -- Corrections, Employment, and Health. We had that discussion in the legislature. Health, because now it is purely regulatory. Our health system agencies are separate -- an agency all by itself. Employment, we did not do it this time, we almost did it, got through one House. I'm concerned about moving Employment out if in fact you are going to deal with the WIN program, rehab and welfare and employment. Corrections -- if your philosophy in corrections is punishment as opposed to rehabilitation, then I see no problem. At least in our state the constitution says the objective is to rehabilitate. If you are going to rehabilitate them, they ought to be part of that system. We have just begun to include mental health into the corrections system and the educational people within corrections. We are beginning to join those groups together; that's the advantage of having them under the umbrella agency.

Senator Mitchell observed that Montana should take a lesson from their Utah, Oregon and Idaho's mistakes as well as their successes. If there is one big mistake, it is that our legislature, when this consolidation was made, they stepped back, admired the new toy they had been a party to developing and thought it would be successful just because it was there. You will not be successful without accountability. It can't be successful without it because unless you have something going back and forth between the legislature and the agency because these are the people that relate to you. They come to you and tell you their problems. They hold you responsible for the fact that their needs are not met. This director and the central office can have the control that you want it to have, and the regional office can have the control. I like the regional office being able to deliver after policy has been established because they are the ones closest to the people. There are capable people at the local level to deliver those services; there always has been and there will continue to be.

We have established in Idaho an advisory council in our regional areas. It doesn't have the powers so it doesn't have the problems that Senator Clark spoke about. Again, this gives that local input. The new super agency and its head, or its second layer administrators will do anything you want them to do provided they know you are always watching. When they think you aren't watching, it can get away from you.

Senator Mitchell was asked how many mental health areas they have set up in Idaho. He replied they correspond with their regional health and welfare, so they have seven. These are all state operated.

Representative Menahan asked about salaries. Senator Mitchell said maybe the psychiatrist at the state hospital might get \$35,000, but he didn't think any of the mental health district people get that much. Representative Menahan said we are talking about \$200,000 in directors' salaries alone in Montana, and for this



money Montana had last year 12,000 patients involved. He asked if Idaho has this same situation.

Senator Mitchell asked if these people work for the state, and Representative Menahan said they work for the community mental health areas, so they are private, non-profit. Senator Mitchell said in Idaho they are state employees except in one region and that region has had so many problems operating under this system with high administrative costs that they almost lost it in the last session. I understand this local board is going to have to be brought in under the state program where the salaries are controlled by the personnel commission.

Representative Katz said Oregon does not control the salaries of the community mental health people. We do have a fifty-fifty matching system for community mental health programs, but that is for the delivery of those programs and I'm not sure the money is used for salaries. Some of the directors of the institutions or some of the regional directors in the mental health division do get high salaries. The special task force that developed the personnel plan with salary ranges that we adopted this session recognized that there will be some people with extraordinary educational qualifications that will justify those kind of salaries.

Senator Clark said they have the same problem in Utah. I think the federal grants specify that the programs in mental health will be administered by psychiatrists or M. D.'s. To get people with these degrees you have to be competitive. Of all the seven divisions we have in our state, the one that bothers me the most is the mental health -- maybe because I don't understand it. We have several people in the mental health department that get a higher salary than the governor does.

In response to a question regarding duplication, Senator Mitchell said you would never eliminate duplication entirely, but the legislature can pretty well control anything they want or don't want by the appropriation process -- funding. Regarding accountability, there are a lot of good state employees doing good jobs. They want to feel a part of the system and if they know accountability is in there they will produce for you even more so than they do now. I am extremely impressed with the people I see and I am disturbed about some also that I see, but the difficulty with having the accountability built in within the agency itself is that it starts to become protective -- it's the buddy system. It's not their fault, but it happens, and I would predict that as your committee goes on you will get more phone calls and anonymous notes about the problems that are going on in your state than you thought existed.

Representative Katz felt that federal dollars create more problems with duplication than an umbrella agency. We, as legislators, sometimes create an atmosphere that simulates duplication. When you have a special program that you cherish or that has a lot of support from the community outside, you don't want to hide it.

Senator Mitchell mentioned one other thing that came after their re-organization -- outside agencies from which we purchase services. They operated a couple of years on us independently and no two budgets looked alike, the format was not followed so you could not read it, etc. We now have them reporting budgets in the same manner as state agencies report budgets. The format is the same. When you put it all together, look at the outside ones, and make sure how you plan to hold them as accountable as any other state agency.

Representative Ellis asked Senator Mitchell what criteria they used to set up their Shelter Homes. Senator Mitchell said these are private and came about through deinstitutionalization. They were people who took patients from the institutions into their homes and got so much money from the state, and it wasn't long before somebody figured out it was a pretty good deal.

Senator Clark said in Utah they have review standards; they were developed by the department and anybody they contract with that has patients or clients in their home, they have a pretty tough review standard they have to pass periodically and it is largely by people in the business. That has been very effective.

Representative Katz said they also have very heavy standards that all the group homes or activities centers or workshops have to maintain. There are also contract negotiations that go on between the executive branch and anybody that has a group home that we buy into. Group homes aren't supported by the state unless they are reviewed by the executive branch and by the legislative branch. In Legislative Fiscal we see a cost analysis for every one of those homes if we ask. We have an opportunity to ask why the cost might be so much higher in one particular home than in another. We have a pretty good handle on keeping the costs down by maintaining those high standards.

Senator Towe felt that Idaho's method of having the nonprofit, outside agencies report their budgets in the same manner as state agencies is good. He also felt that Utah's system of peer review of these outside agencies is good.

Senator Mitchell said when you are talking about shelter homes, you have to decide what role you want them to play and what the rules of the game will be for them in your new system. When you talk to the sheltered workshops -- what service do they provide, what rules do they play by, and what do you expect from them. I think all of them should be audited and held accountable regardless of who they are. We have profit shelter homes; they are not nonprofit. They make money. The shelter workshops as a rule are not -- they are private nonprofit. But they are all part of the system; we didn't plug them in. We thought our new toy was going to operate effectively. We've had three administrators since we started our combined agencies. All of them did an excellent job, but it is what we didn't do when we put it all together to begin with that I am suggesting you do.



Representative Katz clarified her statement concerning Corrections and Rehabilitation. I didn't mean to separate them -- they ought to be part of the umbrella agency if you are going to rehabilitate. We are now moving into a Minnesota community corrections type of program. We have financed special alcohol and drug programs for corrections clients that are still in the institutions and state hospitals so we need the mental health input, and alcohol and drug input for corrections. We've established a whole educational component; even though education is not part of the umbrella agency, we have begun to build relationships between education and corrections. It seems to me that if you are going to separate them, then you are really totally looking at the institutions -- the physical institutions. Corrections is one division that tends to want to be all by itself, and the reason for that is they don't trust anybody else. There may be some good reasons -- they're working with some hard core clients. If you have a good community system and a good parole and probation system, only the hard core are going to stay in your institutions. They feel they are the only ones that can deal with the problem of corrections. They kind of isolate themselves in any case. Whenever you want to break through and force them to deal with another agency, it is much easier to do it when you have the umbrella agency doing it.

Senator Mitchell said their Corrections is a separate agency in the executive branch, and at this time he would want them to stay right where they are. We don't have our house in order well enough to handle it. We are finding a mental health issue coming up in both departments. The mental health people are becoming very concerned about the movement of mental health services into the penitentiary area. I would like to give it a little more time to get ours totally operating the way I think it should.

Senator Clark said the biggest problem in his state is where the judiciary commits people to an institution for evaluation. It is the judiciary's responsibility while they are there if they are committed for evaluation only. There haven't been any serious problems but it has increased the population of the prison by 25% in two or three years, because there are two or three district judges that use that as a vehicle. It throws a burden on the corrections system.

Senator Mitchell observed that there is one area they do include -- the Child Protective Act and the Youth Rehabilitation Act are under the Department of Health and Welfare, and the institutions that serve juveniles are under the Department of Health and Welfare. Corrections deals with those outside those two acts.

Representative Katz said the one agency they had trouble with was Children's Services Division. We pulled those services out and created a Children's Services Division. Maybe we are having trouble because we want to do so much too quickly. It is very controversial and before you isolate that agency as a separate agency, look at what your objectives are, because that division has given us far more headaches than anything else.

Senator Clark commented that Utah passed a bill in 1969 that said the educational dollars would be provided for all children alike whether they were normal children or handicapped children in any way. It was a real change in our educational philosophy in the state. In 1973, I got through the legislature SB 218 that says the educational fund follows that child even if he is in an institution. Whether he is in a training school or the state hospital, or the industrial school, the state educational money that the school district has for him will follow the child to that institution to provide for his education. To me it is a pretty simple concept, but the administrators don't seem to like this additional accountability.

Senator Towe asked Representative Katz if she thought it would be a good idea for Montana to include employment services under the umbrella agency as Oregon has done. She said if she were forced to eliminate one division from the umbrella agency, that probably would be the one. It is primarily funded by federal dollars, so there is very little control the state has over its activities, with the exception of the coordinating activity of the WIN program.

Senator Mitchell felt that the Department of Employment is going to be a part of welfare reform and we may find ourselves being closer tied to the Department of Employment. He went on to say that environmental health in Idaho is included in the umbrella agency, but is broken down into three areas -- air quality, water quality, and environmental health.

Senator Clark said that in Utah environmental health is part of the Department of Health.

In Oregon, environmental health is split. Air quality and water quality are in the umbrella agency and environmental health is in Health.

Senator Towe noted that none of the umbrella agencies in Idaho, Oregon or Utah deal with education and that generally is not included in the umbrella agency. He wondered how to handle that problem, particularly in the case of DD people and some of the juvenile agencies. Representative Katz said that has worked out poorly in Oregon and one of the reasons it is not under the umbrella agency is because it is an elected office; however, they have developed some task forces and have started to compile information with regard to who is responsible for education in their institutions and in the separate regional programs, private programs, and juvenile institutions. They are just beginning to get a handle on that.

Senator Clark said in Utah education is a sacred cow. The Department of Education is responsible only to itself.

Representative Brand asked what would happen if the counties handled these programs versus state or regional control.



Senator Clark said that under the Utah Constitution, the counties shall furnish all the indigent care. This has never been changed. Since the Roosevelt era, when we first got welfare, the money was appropriated to the state, and the state tried naturally to assume that role. This has been a kind of dormant part of the Utah Constitution, probably because it has been more profitable for the counties to have it that way.

There are certain instances where the county would have to pay medical or hospital expenses for indigents. An instance would be if you had a wreck in the county with out-of-state people and they required hospitalization and the county would be billed for that. In Utah each county pays a 1/2 mill levy into the state, and then the state contracts to assume all those responsibilities. In 1975 when the Title 20 money started to come in, we started to give back to the counties 20% of those funds and they could do anything they wanted with it in the area of social services.

Representative Katz said Oregon has 36 counties, and she would be extremely concerned about building 36 separate programs in counties where the population is 2,000 or 600. As a member of Ways and Means, she said she would like to have some control over what kind of programs the state general fund dollars are funding. She said she would have a tremendous concern about uniformity of services. Until the state finally decided that it was going to be responsible for an alcohol and drug program, there were very few counties providing those services, especially those counties that had a high Indian population were not providing those services at all. It was only when the state stepped in and mandated those services and decided they were going to get involved that alcohol and drug services were provided. To some extent in the area of public health, we are beginning to finance the county public health departments and tell them to run their own show.

Senator Mitchell said they have 44 counties -- some large and some small. The difficulty with the way they have the federal programs coming down and going through the states would be the counties adjusting to the various tasks that they are assigned one month and are removed the next month. A larger agency has a bit more opportunity to move its people around, whereas most counties are barely getting by with the staff they have. They do use the regional health districts to get away from the 600 population. They have six health districts in the state and they provide at the local level all the health delivery services and the state contracts for those services and pays. Their budgets must be presented to the legislature in the same manner as state agencies because the legislature is putting a considerable amount of money into their operation.

Senator Clark said they have regional health centers, and we are just getting to the point where the matching funds are going out and the state has had to pick up the whole tab, so there will probably be some changes there.

## Appendix C

### THE ROLE OF THE PRIVATE SECTOR IN HUMAN SERVICES

During the past decade the role of the private sector in human services has been redefined. With the increased use of purchase of service (i.e. the contracting of services from private agencies by government), the role of the private provider has begun to change from a privately funded charitable organization to one which is partially, if not fully, government funded. To assess how private providers now view their role and how they see their role increasing in the future, I wrote to all of the private agencies on the human services mailing list. Only seven organizations replied (see attached letters) but these letters reflect many of the problems and frustrations with the current system.

The use of purchase of service as an alternate method to the delivery of social services did not develop until the late 1960's. The 1967 amendments to the Social Security Act authorizing states to purchase services from both public and private agencies has led charitable organizations to increase their involvement with government programs in order to compete with non-profit vendors created by the state.

The charitable organizations which have retained a totally private status are often at a disadvantage in the competition for funding of human services. By serving specific needs within the community, these organizations have specialized functions. When the needs of the community change or when the private provider wishes to expand the scope of his services, the private provider confronts the problem of what services need to be provided. The small provider lacks the resources to investigate the needs of the community. The state offers little help to these organizations since the services purchased by the state seem to be determined either on a need by need basis or as part of a funded program. If the programs preclude services offered by the private provider, new vendors are created. In a state as large as Montana, with few private providers in rural areas, it is natural for the state to take a leading role in the delivery of human services by delivering direct service or by creating non-profit vendors. However, this does create problems for the private provider. Catholic Social Services and the Easter Seal Society expressed concern with the lack of planning by the human service agencies. They recommended that a needs assessment be conducted to determine the areas where existing private agencies could provide services. Catholic Social Services also recommended that a liaison position be created to coordinate services between private agencies and human service agencies. They proposed that the functions and responsibilities of the liaison position be administered by the proposed human service oversight committee. However, because it would be inappropriate for a legislature committee to try to undertake more than a review function it would be a better approach to create a separate purchase of service unit, as several states have done, to actually administer such a program.

Two other organizations, the Helena Indian Alliance and the Rocky Mountain Development Council also expressed frustration with program planning. The Helena Indian Alliance noted that Native Americans do not utilize existing programs because the programs fail to meet their needs.

Rocky Mountain Development Council has attempted to expand its program to provide day care for workers in the Helena downtown business community. Council employees have found that the Governor's Employment and Training Council will not provide the resources to assess the needs of the community.

Easter Seal Society suggested that the option to contract for human services with "private for profit" and the "non-profit" sector should be a part of all legislation dealing with human services.

Contractual arrangements with the state are not always in the best interest of the private provider. Regulations and "red tape" can make the private provider as bureaucratic as state agencies. They are often locked into a system of funding which allows for little expansion of services. If they wish to increase their funding they must wade through more bureaucratic "red tape". The limitation of funding regulations are a concern for Chance Inc. of Dillon and the Yellowstone Boys Ranch. Both providers felt that the quality of their service was suffering from a lack of adequate funding.

There are many organizations that did not respond to my query. It may be that they have had no problem. It may be that they have had no problems either in competition with state funded organizations or in contracting with the state. However, most states, including Montana, expect the purchase of services to increase so some planning should be instituted to help the private provider.

Of course, the problems and frustrations with purchase of service is not confined solely to the private provider. The purchasing of service is a billion dollar industry in the U.S. and the human service agencies have not been prepared for this new role. Gus Hamerlynck, Administrator of the Developmental Disabilities Division, mentioned some problems that can occur with the purchase of services. When the private sector is funded by the state, it becomes "quasi-public." The state may create a private vendor to handle a problem area, or, by supporting particular vendors, it may limit the competition among private agencies. The human service agency may then be in the awkward position of having created monopolies and are forced to deal with the vendors according to the vendor's terms.

The private sector organizations are in the process of expanding their roles. However, there needs to be more direction from the state to provide the coordination and resources for this expansion to assure that monopolies are not created. The private provider can be helped through legislation which insures contractual arrangements with private providers. Another method of increasing their funding without increasing their dependency upon the state would be a tax credit for charitable donations. At the same time there should be increased planning by human service agencies so private providers will know where the needs are and how they can be met.



## Appendix D

### ACCOUNTABILITY IN HUMAN SERVICES

The growth of social services during the past twenty years has been phenomenal. The impetus for increasing social services has come from the federal government. Prior to 1972 federal matching funds for social services were open-ended and the rate of match (75%-25%) was a clear incentive for states to expand their social service programs. The magnitude of the increases and the suspicion that some states were abusing the federal social services program provided impetus for the federal government to end the open-ended funding in 1973 and to initiate an accountability theme. Many states are now attempting to develop some method of accountability with regard to Title XX programs. At this time only Iowa is in the process of proposing legislation to handle this problem.

According to Webster's Third New International Dictionary, accountability is "the state of being accountable, liable or responsible." Accountable is defined as explainable. A program which is to be held accountable must have elements that are easily understood. For all programs this should mean that the goals and objectives are clearly stated and the methods for carrying them out are well defined. It is up to the legislature to provide legislation with clear objectives which the human service agencies will in turn carry out in a well defined manner.

Accountability in human services should begin in the planning phases of a social program. When goals and objectives are clearly defined identification of costs becomes easier. The budget represents the cost of services that must be committed to accomplishing the program goals. Unfortunately, the goals of human services are often difficult to define. The department of Social and Rehabilitation Services encountered the problem with an attempt to assess the effectiveness of services. The department found that interviews with 100 individuals would yield 100 different opinions as to the goals of the program and the effectiveness of the program in meeting those goals.

If cost accountability becomes one of the major goals of a program, the intent of the program could be altered. Unit cost of service stresses efficiency rather than effectiveness since it is easier to measure the time spent on an individual rather than the changes that have occurred within the individual. Thus, the goal of a family planning program could become the number of times family planning information is presented to groups within the community rather than how effective was the information in helping individuals make informed decisions about family planning.

If one allowed each department to develop its own method of accountability the question of accountability might become even more complicated. At this time SRS has developed some cost determinants. However, the fiscal analyst's office has found that only a few of these measures are useful for its purposes. The Iowa Joint Budget Subcommittee on Social Services has recommended legislation (see attachment) that would require their social service department and fiscal bureau to cooperate in developing a program based budget. This may insure that information could be developed from clearly



stated program goals to aid in the development of program evaluations.

The second phase of accountability is a function of program management. This phase is again dependent upon clear goals. Well-defined legislation and good program development aids this process. It is dependent upon responsible management that stays within the objectives and the estimated costs of the program. Iowa's subcommittee recommended legislation that would require their human service department to report to the appropriate agencies if planned direct service expenditures under Title XX differed from actual direct service expenditures by more than 15%. This type of review could be a part of the legislative oversight committee's functions. Problem areas could be identified in an interim period and recommendations for changes could be made prior to a subsequent legislative session. It would be important that qualified staff performed this function.

The final phase of accountability occurs during the review process. The clarity of program objectives and the precise recording of service costs is crucial to this phase. If productive programs are to be rewarded by continuation and increased resources, and unproductive programs cancelled, some form of evaluation process must be developed. The Iowa subcommittee has recommended that their social service department 1) provide information on administrative and program support costs for Title XX programs; 2) do a comparison of planned and actual expenditures for all methods of service delivery; and 3) do a comparison of planned and served recipient statistics for all service programs. This information would provide some basis for evaluation.

Accountability in human services is a difficult area to define. True accountability based on effectiveness of the program will probably never be obtained since the criteria for effectiveness is not absolute. However, some form of accountability can be attempted. If this program of accountability is left up to individual departments you will probably have as many systems as you have departments or divisions within departments. The proposed Iowa legislation would be one way of confronting this problem area. For any accountability system that you wish to create I would recommend that the goals of that system should be clearly defined and limitations of human service accountability should be recognized.

Appendix E  
LOCAL CONTROL

In response to the Committee's request for research into the problem of transferring control to the local level, I have found few services that do not have some form of local involvement. It is the type of local involvement that seems to be the problem--should it be citizen involvement through advisory or advocacy programs or should the involvement be a change in the structure of authority within the human service agencies?

There is also the problem of the type of control that could be transferred. Would it be the designing of programs, policy making, or administration? As you are aware, the complex nature of the local welfare system is one of the greatest sources of frustration for local officials. I am enclosing a copy of a discussion of local control which is a part of the State Commission on Local Government's report entitled State Assumption of Welfare by Opal Winebrenner.<sup>1</sup> It points out the conditions that have led to the degeneration of local control; conditions which are still obstacles to local control.

One obstacle to any transfer of control is the number of rules and regulations imposed by federal and state governments. Transfer of control may violate some federal or state statute. That is why it is important to identify what services you wish to transfer and what type of control you are transferring.

The State Commission on Local Government has suggested that welfare be state operated. However, one of their suggestions to provide local input might be considered by the Committee. They suggested the creation of an optional Board of Social Services. The board would formulate a county development plan. It would evaluate present social services and have input into the planning process for new programs. It would advise state and private agencies of the need for new services. One problem with creating such a board is the number of boards and councils that are already in existence.

In your examination into the problem in your counties, I am sure you have found that the conception of the need for local control is extremely varied and difficult to define. However, I feel that the problem needs more definition before I can proceed.

1. Montana Commission on Local Government. State Assumption of Welfare Opal Winebrenner, Project Director, Helena, Montana, January, 1977.

## LOCAL CONTROL?

A strong argument repeatedly voiced against state assumption of welfare was that such a change would result in a loss of local control over the public welfare system. The validity of this argument is, of course, dependent on whether local control of the system can be proven to exist.

Under current state statutes, the State Department of Social and Rehabilitation Services is granted "supervisory authority" over the county departments of public welfare. The statutes also grant the county as represented by the county commissioners shall serve as the local administrative authority for the county department of public welfare. The question of whether local control exists hinges on this "administrative authority" clause.

Although the state statutes still declare that county commissioners have "administrative authority" over the local welfare departments, that authority has eroded away in recent years. Previously county commissioners were able to directly administer the local department of public welfare in their counties, but the entire welfare system has changed dramatically in the last few years. Rules and regulations to ensure that public assistance programs be provided uniformly throughout the nation have come from the federal government. The state departments of welfare have also added their own rules and regulations to those from the federal level to further direct the activities of service provision at the local department level.

It is apparent that mandates from the federal and state levels almost completely dictate how programs will be implemented at the local level. The Board is so limited by these rules and regulations that govern the local welfare departments that its function as an administrative authority is for all practical purposes perfunctory. The county commissioners, however, argue that they serve a purpose as a local overseer of the welfare system simply because the welfare department directors do have to bring the determinations of eligibility to them for review. In many counties it appears that the county welfare director is the administrative authority for the department. Commissioners have argued that in these instances the director is the administrative authority only because he has been delegated that responsibility by the Board of Public Welfare. The question is whether there is any administrative authority for the Board to delegate to the director in the first place.

Source: Montana Commission on Local Government. State Assumption of Welfare, Opal Winebrenner, Project Director, Helena, Montana, January, 1977.



Before the creation of Montana's State Merit System, the commissioners had much more leeway in regard to hiring and firing employees. Currently under the Merit System, an employee must pass an examination and also be approved by the State Department of Social and Rehabilitation Services before the Board of Public Welfare can hire or fire an individual. Commissioners are further limited in this area because the number of positions that are available to be filled are determined at the state level first, and then distributed among the various local departments across the state. If a local department does not have state authorization for another position then that person cannot be hired.

A common complaint of the Boards of Public Welfare is that they serve only as "rubber stamps" for decisions that have already been made by the county departments in accord with state and federal rules and regulations. The question becomes one of where do county commissioners feel they have local control over the departments of public welfare. The area of responsibility that commissioners still feel they have a voice in is the review of eligibility determinations. Before the promulgation of state and federal rules and regulations for public assistance programs, the review function of the Board of Public Welfare did indeed provide the commissioners with a great deal of decision making responsibility. The Board would review determinations of eligibility for public assistance made by the local welfare department, and could decide whether or not to grant that assistance to an individual. Now the review of eligibility determinations must be made in accord with the rules and regulations governing the various programs. The Board can still decide that an individual should not receive assistance as determined by the county department, but the individual has the right to a fair hearing to challenge that decision. The fair hearing process has been a sore spot with many commissioners because the applicant usually wins the hearing and eventually receives the assistance.

For those programs that are almost completely county funded the Board does still have discretion in deciding who will receive assistance. These programs, however, do have assistance guidelines that have come from the state department, and individuals can request a fair hearing if they are refused assistance. These programs include County Resident General Assistance, County Medically Needy, and County Burial programs.

The county commissioners, as long as they are the agents for levying the necessary mills to finance the County Poor Fund, feel they are also economic overseers. The county welfare director must present a budget for his department to the county commissioners for their approval, and the



commissioners do have limited authority to cut that budget. Their authority is limited in that the State Department of Social and Rehabilitation Services reviews the approved welfare department budget in each county to assure that sufficient funds are allowed for the mandated assistance programs. The commissioners can, of course, cut back or add to the programs that are almost completely county funded, and can also make cutbacks in capital outlays.

Under state assumption of welfare many of these steps will probably be eliminated. First, since the welfare system will be financed from the state level through appropriation by the legislature, the commissioners will no longer be direct funding agents. The budgets formulated by the county welfare directors will most likely be given to the State Department of Social and Rehabilitation Services for review as it will be the direct funding source.

County commissioners have argued that their role as budget reviewers should not be eliminated, because as local elected officials they still have a responsibility to oversee the spending of the taxpayers' money regardless of how that money is generated. The argument has a point, but it should be carried beyond just overseeing only the welfare budget to overseeing state budgets for all areas if it is to be a valid one.

If it is possible that under state assumption the eligibility review function of the Board would also be eliminated. This would in essence remove one step in the process for granting or disproving assistance, hopefully speeding up the entire welfare system. The rationale for eliminating this step from the jurisdiction of the commissioners is twofold. First, the determinations have been made in the local welfare department by people trained in that area. Many commissioners have already admitted that it is not possible for them to keep aware of the rules and regulations on which these determinations are based. Replies to a questionnaire survey of county commissioners showed that the majority of commissioners felt they had little knowledge of these rules and regulations. (See Appendix G.)

This fact alone makes suspect the quality of their review function. Second, the time consumed in this review process slows down the delivery of assistance which in some instances can be detrimental to the individual in need. In counties where the Board of Public Welfare only meets twice a month, it is obvious that the system is slow. It should be noted that for many commissioners the biggest regret in eliminating the eligibility review function seems to be that they will no longer know who is receiving public assistance in their county.

The argument for local control of the welfare system is an ambiguous one. The commissioners realize that under the current system they will not be able to gain more authority than they presently have due to the existing legal limits of that system. The commissioners openly admitted in their rationale for voting against the concept of state assumption during the Montana Association of Counties Annual Convention that they had very little control over the welfare system in their counties. They did, however, feel that it was important to maintain that small role rather than to give up what was left of their administrative authority to the state department.



1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPROVE THE DELIVERY  
5 OF HUMAN SERVICES THROUGH THE DEVELOPMENT AND IMPLEMENTATION  
6 OF A PLAN TO CREATE NE-STOP SERVICE; MULTI-PURPOSE  
7 CASEWORKER AND TEAM MANAGEMENT; COLOCATION OF AGENCIES; AND  
8 INFORMATION AND REFERRAL SYSTEMS."

12

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11           section 1. Definitions. As used in [this act], the  
12       following definitions apply:

13           (1) "Client" means a person served by or utilizing the  
14       services of a human services agency.

(2) "Collocation of agencies" means the placement of staff by two or more autonomous human services agencies in a common facility.

(3) "Human services agencies" means the department of institutions; the department of social and rehabilitation services; and those portions of the department of community affairs, the department of health and environmental sciences, the department of labor and industry, and the office of the superintendent of public instruction which deal with human services.

25 (4) "Information and referral system" means a



centralized information system that provides for the assessment of client problems; identification of required services; assessment of eligibility; referral of clients to appropriate agencies; and follow-up of the referrals.

(c) "Multi-purpose caseworker and team management" means an arrangement in which one staff member, with the possible assistance of a number of staff members representing different services, helps a client to identify all appropriate services and confirms that the services are provided.

(d) "One-stop service" means a common intake system for two or more services provided to clients.

(e) "Oversight committee" means the permanent legislative human services oversight committee created by [Bill No. ].

Section 2. Plan development. (1) The governor shall develop a plan to create:

- (a) one-stop service;
- (b) multi-purpose caseworkers and team management;
- (c) colocation of agencies;
- (d) information and referral systems.

(2) On or later than November 30, 1979, the governor shall submit the plan, including proposed legislation whenever necessary, to the oversight committee. The oversight committee shall review and make recommendations to

1 the governor regarding the plan.

2 section 3. Implementation. No later than April 30,  
3 1980, the governor shall submit to the oversight committee a  
4 final plan for implementing [this act].

5 Section 4. Committee to report results and make  
6 recommendations. No later than September 15, 1980, the  
7 oversight committee shall report to the legislature the  
8 progress of the executive branch in carrying out the  
9 provisions of [this act] and make recommendations for  
10 legislation to aid in the implementation of the plan.

-End-



1 \_\_\_\_\_, III NO. \_\_\_\_\_

2 INTRODUCTION BY \_\_\_\_\_

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE A PERMANENT  
5 LEGISLATURE HUMAN SERVICES OVERSIGHT COMMITTEE AND PROVIDE  
6 AN APPROPRIATION OF \$31,000 FOR THE FISCAL YEAR."

1

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9           Section 1. Definitions. As used in [this act], the  
10       following definitions apply:

(i) "Committee" means the permanent legislative human services oversight committee created in [section 2].

(c) "human services agencies" means the department of institutions; the department of social and rehabilitation services; and those portions of the department of community affairs, the department of health and environmental sciences, the department of labor and industry, and the office of the superintendent of public instruction that deal with human services.

20           (3) "Program" means a combination of planned efforts  
21       to provide a service.

22           section 2. Creation of an oversight committee. There  
23   is a permanent legislative human services oversight  
24   committee.

25           Section 3. Human services oversight committee --



1 composition: (1) The committee consists of two members of  
2 the senate state administration committee, two members of  
3 the house of representatives state administration committee,  
4 one member of the senate health committee, one member of the  
5 house of representatives health committee, two members of  
6 the senate finance committee, and two members of the house  
7 of representatives appropriations committee. The  
8 appointments shall be made by the chairman of the respective  
9 committees named above. The committee may have no more than  
10 five members from each political party.

11 (2) A vacancy is filled in the same manner as the  
12 original appointment is made.

13 (3) Appointments must be made prior to the 90th  
14 legislative day of each legislative session.

15 (4) A member of the committee shall serve a 2-year  
16 term or until his term of office as a legislator ends.

17 (5) The committee shall elect one of its members as  
18 chairman and such other officers as it considers necessary.

19 Section 4. Meetings -- compensation. The committee  
20 shall meet as often as the chairman considers it necessary  
21 during and between legislative sessions. Committee members  
22 are entitled to receive compensation and expenses as  
23 provided in 5-2-302.

24 Section 5. Staff assistance. The legislative council  
25 shall provide staff assistance to the committee subject to

1 limitations in any appropriation for such purpose. The  
2 legislative council has the same authority of investigation,  
3 examination, and hearings on behalf of the committee as it  
4 has for other committees under 5-11-106 and 5-11-107.

5 Section 6. Appropriation. There is appropriated from  
6 the general fund, for the biennium ending June 30, 1981, the  
7 sum of \$81,000 to the legislative council for the purpose of  
8 funding the activities of the committee.

9 Section 7. Duties of the committee. The committee  
10 shall:

11 (1) advise and consult with human services agencies on  
12 the administration and delivery of human services in the  
13 state;

14 (2) review all rules related to human services  
15 agencies before they are made effective by any human  
16 services agencies;

17 (3) use reports published by the legislative fiscal  
18 analyst and legislative auditor to the maximum extent  
19 possible in the conduct of its work.

20 Section 8. Administrative code committee supercedes.  
21 [Subsection 2 of section 7 of this act] supercedes the  
22 duties and authority of the administrative code committee  
23 under the Montana Administrative Procedure Act with regard  
24 to human service agencies, except with regard to procedural  
25 matters and matters relating to legality or validity under

1 the Montana Administrative Procedure Act.

2 Section 9. Powers of the committee. The committee may:

3 (1) conduct program reviews and evaluations of human  
4 services agencies;

5 (2) examine human services agency programs to  
6 determine if they continue to serve their intended purposes  
7 or require modification or elimination;

8 (3) request and shall receive from human services  
9 agencies such assistance and data as will enable the  
10 committee to fulfill its duties; and

11 (4) hold public hearings.

12 Section 10. Requests for review. A citizen of the  
13 state of Montana may bring any matter related to the  
14 delivery of human services to the attention of the  
15 committee.

16 Section 11. Corrective action. In any instance in  
17 which a program review and evaluation results in a judgment  
18 that a program is ineffective, unnecessary, or is failing to  
19 serve its intended purpose, the committee shall report its  
20 findings to the legislature, together with its  
21 recommendations for administrative or legislative action.

22 Section 12. Committee report. Prior to September 15 of  
23 each year preceding a legislative session, the committee  
24 shall submit a report of its activities, together with its  
25 recommendations to the legislature.

LC 0052/01

-End-





A RESOLUTION OF THE STATE OF MONTANA REQUESTING THE GOVERNOR TO  
REDUCE CENTRAL OFFICE ADMINISTRATIVE STAFF.

BE IT RESOLVED THAT THE INTERIM COMMITTEE ON HUMAN SERVICES:

(1) requests the Governor to provide for the reduction of the central office administrative staff of the department of institutions, the department of social and rehabilitation services, and those portions of the department of community affairs, the department of health and environmental sciences, and the department of labor and industry which deal with human services;

(2) requests the governor to use the proposed savings from the reductions to provide more service directly to the clients;

(3) asks that this reductions to provide more service directly to the clients;

(3) asks that this reduction be reflected in the budget appropriations presented to the 1979 legislature.

- End -

A RESOLUTION OF THE STATE OF MONTANA REQUESTING THE COMMISSIONER OF HIGHER EDUCATION SUBMIT THE UNIVERSITY AFFILIATED PROGRAM THROUGH NORMAL CHANNELS.

BE IT RESOLVED THAT THE INTERIM COMMITTEE ON HUMAN SERVICES:

Requests the Commissioner of Higher Education not to implement the University Affiliated Program until he has submitted the matter through the normal channels that are utilized for creation of new programs that involve federal funds including the finance committee.

- end -





